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***green invest***

Investing in Sustainability

**GREEN INVEST LIMITED**

**ABN 49 119 031 462**

**ANNUAL REPORT  
FOR THE YEAR ENDING  
30 JUNE 2009**

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# CORPORATE INFORMATION

## GREEN INVEST LIMITED

ABN 49 119 031 462

## DIRECTORS

Mr. Peter McCoy (Chairman)  
Mr. Ronald Lunt (Executive Director)  
Mr. Ken Edwards (Executive Director)

## COMPANY SECRETARY

Mr. Ronald Lunt

## REGISTERED OFFICE

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## SHARE REGISTER

Computershare  
Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, 3067  
Local call 1300 850 505  
International call + 613 9415 4000

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## WEBSITE ADDRESS

[www.greeninvest.com](http://www.greeninvest.com)

## ASX CODE

GNV



# Chairman's Report

Dear Shareholders,

## The Year in Review

On behalf of the Board of Directors I have pleasure in presenting the Annual Report and Financial Statements of Green Invest Limited for the year ended 30 June 2009.

As shareholders we are aware, the Group has gone through a period of restructuring with the aims of reducing the business' overhead costs base, reviewing each of the business centres, integration and strengthening referrals between each of the businesses. In essence the establishment of a management and financial platform from which the Group can grow. The restructure has been extensive and has included the recruitment of a new management team and the Board of Directors being reconstituted. Recruitment of additional members to the Board and the executive team will be ongoing during the new financial year as the business model rolls out.

The objective of the Group remains the same being, *"To be the global leader in sustainability by providing unique integrated solutions across environmental and financial markets."*

Changes put in place have seen the Group's financial performance improve steadily to a stage where costs are now under control and the Group is moving towards a profitable position. Apart from addressing the financial requirements of the Group the Board has set about an extensive review of each of its business centres as follows:

### [i] Green Plumbers:

An assessment has confirmed the basic business model however a number of changes have been made to address shortcomings on implementation. These changes have involved:

- strengthening the relationship between *Green Plumbers®* and Master Plumbers and Mechanical Services Association of Australia
- development on a new broad based accreditation model that will see substantial growth from the current 35 members
- strengthening ties and opportunities with Green Plumbers US
- reworking of the model to reposition Green Plumbers as a facilitator rather than principal
- accessing Renewable Energy Certificates [REC] through association with clients, suppliers and installation arrangements.

### [ii] Sustainable Footprint:

During the financial year the Group acquired a critical component piece to its integrated business model, Sustainable Footprint (SF). SF is a Sustainability Audit business which has as its core conducting audits to establish the carbon footprint of various enterprises from large businesses, SME's and more recently in association with Government bodies at domestic level. Depending on the scope of the project, SF may make recommendations to reduce their footprint resulting in associated costs savings and generation directly or indirectly of RECs or the production of an audit certificate as a condition to the establishment of a Government grant or subsidy.

SF has also developed an Internet Portal that allows other auditors to produce audit reports for their clients using an in depth modelling system and vast database of everyday items and their carbon footprint. Finally SF has also developed training modules that allow them to train prospective auditors in doing residential and commercial audits.

### [iii] Next Generation Energy Solutions

NextGen's business model has remained unchanged for the financial year ended 30 June 2009. The income stream from this business remains consistent whilst its costs base has been reduced. When the Federal Government's Carbon Pollution Reduction Scheme (CPRS) is finally passed by parliament and introduced it will see a quantum leap in the size of the market in which NextGen remains one of the main players.

# Chairman's Report (continued)

The changes introduced by the Board has seen savings in excess of \$1M per annum over the last quarter of the financial year ended 30<sup>th</sup> June 2009. The Board has also taken steps to reduce the use of external consultants saving the company additional costs.

Notwithstanding the recent improvement over the full year the Group has recorded an operating loss of \$2.97m.

A review of the result indicates that the major contributors to the loss were corporate expenses and costs associated with Green Plumbers decisions in respect to the licensing model which saw the Group entering into certain installation contracts as principal. Those contracts have now run their course and a new licensing model is now in place which sees Green Plumbers as a facilitator of certain installation contracts as well as expanding its distribution base. The Board has also substantially reduced corporate expenses and has also seen savings achieved through the better integration of the Groups three operating divisions.

The other major contributor to the loss was costs associated with establishment of SF. In recent months the Board is pleased to report that SF is breaking even with their expansion program showing encouraging signs for profitable growth.

In addition to improving the operational aspects of the Company, the Board has been focused on establishing a firm capital structure upon which the company can confidently expand. To this end the board has put in place arrangements whereby: Interests associated with two of its key founding shareholders Mr Ron Lunt and Mr Francis Galbally have each agreed to place in escrow the shares allotted to them pursuant to the Prospectus dated 3<sup>rd</sup> December 2007 .

Interests associated with Mr Ken Edwards have also separately agreed to place in escrow shares allotted to his associated company.

Terms relating to the issue of the Series A and Series B Convertible Notes have been amended to provide that options agreed by the previous Board of the Company to the series A and series B noteholders as set out in the half yearly report dated 27<sup>th</sup> February 2009 have been reduced in number to 1,900,000 and 900,000 respectively and that issue requires shareholders approval.

## Annual General Meeting

A notice of the Company's Annual General Meeting to be held on 26 November 2009 and a proxy form for voting is enclosed with this report.

Items of business include:

- Shares
- Options
- Director share scheme
- Key Employees share scheme
- Future Direction of the Company

## Corporate Governance

The Group is committed to the principles of good corporate governance. A full discussion on the Group's progress in creating strong and transparent corporate governance and in meeting all of the 'Principles and Best Practice Recommendations' published by the Corporate Governance Council of the Australian Securities Exchange is contained in the Directors' Report section of this Annual Report.

As part of this commentary, the Directors' Report contains the Remuneration Report. This report shows how the Group seeks to align employee remuneration with Group performance, putting a significant portion of executive remuneration at risk. It details both variable short term cash incentives and longer term performance hurdles. The Board believes such short and long term incentive programs are vital to improving organisational performance. At this year's Annual General Meeting shareholders will be asked to provide a non binding vote on the Remuneration Report.

# Chairman's Report (continued)

## Management and Staff

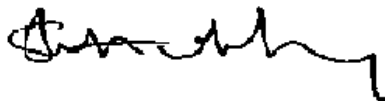
The Group has made a number of senior management changes during the last six months. We are confident that this team will deliver improved performance for the business in the future.

We would like to thank the whole team at Green Invest for their hard work and dedication to the business over the last six months during the integration phase.

## Outlook for 2010

With the benefits of the restructuring starting to flow through the business, the Company is now well positioned to take advantage of the many opportunities it comes across each week. The business model has now been fully integrated across the Company providing the Company a competitive advantage over many of its competitors. This has been seen with the awarding of a number of sustainability related tenders to the Company in recent months.

Driven by improved operating efficiencies and sales growth from our Australian and overseas operations, and traction being gained from the general awareness of the need to be environmentally focussed, we remain confident about the future prospects of the business.



Mr. Peter McCoy  
Chairman  
30 September 2009

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# Executive Director's Report

## Prepared for Growth

In March 2009 Green Invest advised the market of our intention to restructure the business. The aim of the Board was to critically examine the finances, capital structure and operational aspects to provide the Company with a strong platform upon which growth could take place. I am pleased to report that [not without some necessary pain] Green Invest has effectively and efficiently utilized that four month period to achieve a position from which we can confidently say we are now "Prepared for Growth".

The Green Invest Board at the end of the Financial Year 2008/09:

Chairman Peter McCoy  
Executive Director Ron Lunt  
Executive Director Ken Edwards

At 31 December 2008 a Half-Year loss of \$1.39M was recorded. At that same time it had been estimated a further \$700K would be the operating loss in the second half of the year. During the subsequent 6 months [and since March in particular] the Company has performed somewhat better than projected.

The reported loss for the Full Financial Year from 01 July 2008 to 30 June 2009 was \$2.97M. Included in this loss is of Goodwill impairment of \$829K and restructuring and financing costs of \$500K. These one off costs have increased our loss for the year, but the underlying business and operations were stronger especially over the last four months of the financial year than estimated. It was stronger because revenues were higher (except for *Green Plumbers*<sup>®</sup> who had a limited sales pipeline, however this situation has since been resolved) and Operational Costs/Expenses have been reduced across the company.

*Green Plumbers*<sup>®</sup> has recently increased its supply pipeline and we are confident of a turn-around in respect to that division.

The objective of the Group has been to provide both domestic and commercial clients with a fully integrated suite of environmental services – an "end-to-end solution". The activities of the Group are divided into three broad divisions being:

- [a] Financial Services Division – NextGen
- [b] Integration Services Division- Sustainable Footprint
- [c] Technical Services Division – *Green Plumbers*

## General

During the financial period a number of factors affected the performance and processes put in place:

1. **Global Financial Crisis (GFC).** The downturn in the Global Economy, coupled with the delay in the introduction of the Carbon Pollution Reduction Scheme (CPRS), affected the Green Invest business over the full financial year.

More recently, with the generally perceived improvement in the domestic economy in particular, coupled with the return of some certainty in regard to the Federal Governments carbon emissions legislation, there has been an increase in revenues for both NextGen and Sustainable Footprint.

Clarification of the Government's stance coupled with structural changes to the *Green Plumbers*<sup>®</sup> model will result in a marked improvement in trading for the Technical Services Division and the Board is confident that positive cash flow will commence within this financial year.

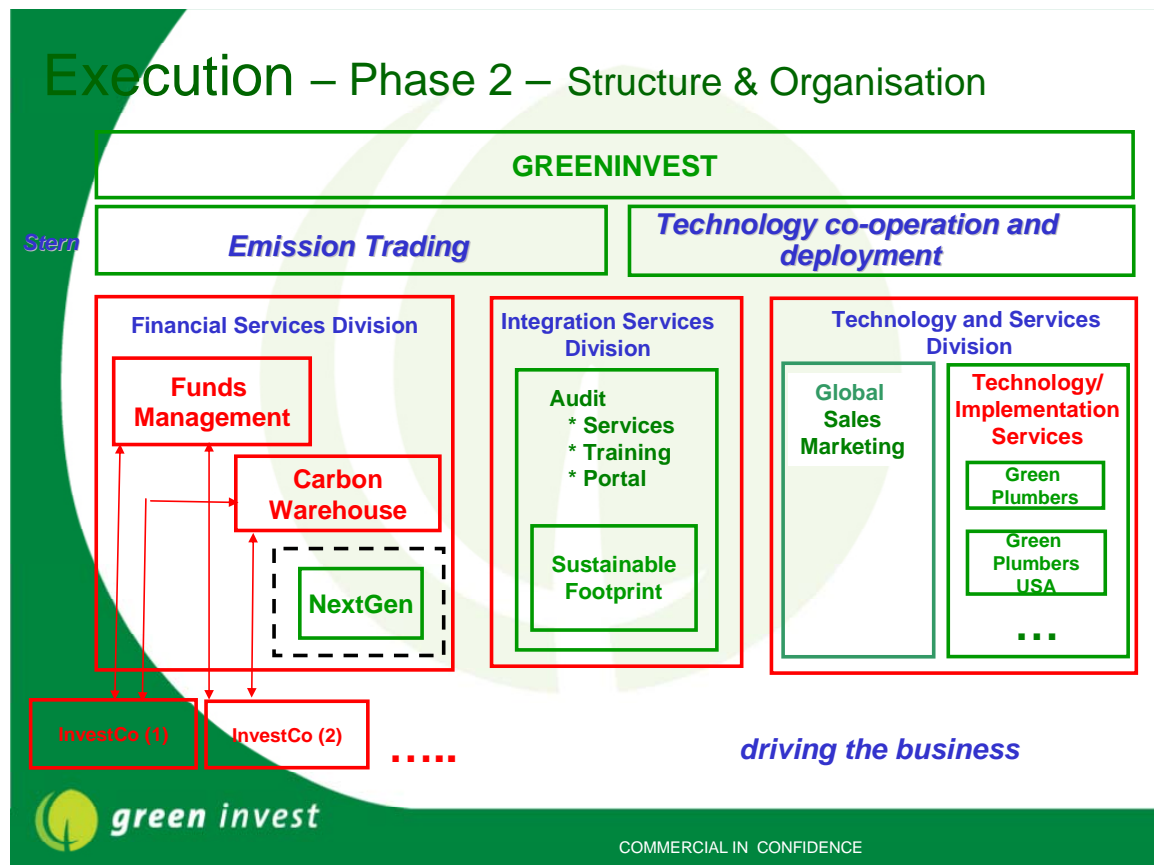
# Executive Director's Report (continued)

2. **Restructuring – “Prepared for Growth”.** The objectives for Green Invest over the last Quarter of the Financial Year were to concentrate on:
  - a) Ensuring that income exceeded expenses for all Divisions;
  - b) Stopping Cash Burn
  - c) Introduction of more stringent internal management controls along the lines of best practice;
  - d) Introduction of appropriately qualified and integrated Sales/Marketing Team and associated sales processes;
  - e) Establishing a new business model in line with the strategic direction of the Company; and
  - f) Critical examination of strategic structure/organisation and direction.
  
3. **The Market Environment.** As the effect of the GFC diminished towards the end of the financial year and certainty grew around the CPRS in that it was merely delayed, and its eventual existence was assured, the market conditions appeared to improve for our market sector.
  
4. **Green Invest Business Model.** Over the last quarter of the financial year the value of our Business Model was reinforced. Green Invest is in a unique position in our market. Green Invest can deliver a complete (technical and financial) solution. For our sustainable market it provides an End-to-End; or One-Stop-Shop solution.

The Green Invest Vision:

*“to be the global leader in sustainability by providing unique, integrated solutions across environmental and financial markets.”*

## The Green Invest Business Model



# Executive Director's Report (continued)

## Review of Operations

### 1. Green Invest Financial Services Division

NextGen currently forms a major part of Green Invest's Financial Services Division. As a broker the revenues of NextGen were down over the Financial Year. NextGen revenues had steadily increased over the last six months of the Financial Year. This increase was due to the Renewable Energy Certificates market continuing to grow even though the Carbon Pollution Reduction Scheme (CPRS) had been delayed by the Government for a further year.

The past financial year has certainly been a challenging one for NextGen given the enormity of the Global Financial Crisis combined with an uncertain political and regulatory environment on Climate policy in our chosen markets, both here in Australia and Internationally. After weathering a flat first half, volumes in both electricity and environmental markets moved back in line with long term averages resulting in a strong second half revenue result.

Despite the delay to the Carbon Pollution Reduction Scheme (CPRS) the business is experiencing an increasing number of enquiries from large carbon emitters in preparation for an ambitious timetable, which should eventuate following passage of CPRS legislation in the December quarter 2009 or March quarter 2010. NextGen is perfectly placed to benefit from the demand for provision of specialist carbon consulting, risk management and broking services to our broad range of existing and future clients. Our peers again voted NextGen as Carbon Finance's 2008 Best Broker in the Australasian GHG emission market.

The second plank for growth at NextGen, is the Commonwealth's expanded Renewable Energy Target (RET), which is now legislated and will result in a four-fold increase in physical requirement for Renewable Energy Certificates by 2020. However as environmental markets mature, both exchange traded and over-the counter volumes are expected to reach many multiples of mandated carbon targets, placing NextGen at the forefront of this exciting development in a new asset class.

Chris Reeve, General Manager Global Financial Services has been able to open up the business internationally for NextGen by setting up a Global Agreement with Tullett Prebon Limited (one of the world's largest money brokers) for the broking of Carbon Credits into Europe and USA, in the secondary market. Also an agreement with a small European Exchange, is being established to take advantage of Carbon Credits being issued in the primary CDM market. Even though there has been a delay in the CPRS it is expected that clients will be looking to deal forward to take advantage of possibly cheaper carbon prices.

### 2. Green Invest Integration Services Division

Sustainable Footprint currently forms Green Invest's Integration Services Division.

Throughout the financial year, the importance of the integration of Sustainable Footprint with its sister organisations (Green Plumbers and NextGen) was essential to the ongoing success and growth of Green Invest. By the end of the financial year, Sustainable Footprint was working closely with *Green Plumbers*® on a number of projects including the roll out of the Western Port Green House Alliance (WPGA) home sustainability program. Sustainable Footprint had also been working closely with NextGen to provide Carbon offset services to clients that have had energy assessment conducted on their commercial premises.

The integration of Sustainable Footprint into the financial services and technical services sectors of Green Invest's business model will further strengthen the concept of Green Invest being positioned as the pre-eminent, totally integrated service solutions provider in the Sustainability and Environment Business Sector. This tri-partisan approach will be further strengthened with the roll out of the Green Professionals model, enabling Sustainable Footprint's trained assessors to deliver the products and services offered through-out the group.

# Executive Director's Report (continued)

## Sustainable Footprint Achievements:

Sustainable Footprint had a number of notable milestones and goals achieved in the financial year 2008/09. This was the first year of operation for the company. Sustainable Footprint is focussing on delivering audits and behavioural change education to the SME, Government and Corporate sectors as well as the newly emerging home audit sector.

## Sustainable Footprint's achievements include:

Sustainable Footprint won the following tenders and major contracts:

- To deliver a Sustainable Assessment for the Melbourne Cricket Club of the MCG. This work has been progressing since December 2008 and is nearing completion in September 2009 with possible ongoing reporting in the future.
- The County Court of Victoria – Sustainability Assessment and Report
- The Magistrates Courts of Victoria x 4 – Sustainability Assessment and Report
- The tender with NSW Government, Department of Environment and Climate Change (DECC) - selected onto a panel to deliver audits to up to 6,000 SMEs across NSW.
- Sustainable Footprint has been appointed as a program partner by The Australian Federal Government's Green Loans Program - Home Sustainability Assessment Scheme (HSAS). Sustainable Footprint will be delivering training programs for people to become Home Sustainability Assessors; the scheme is to be rolled out across Australia. This program will require more than 2,000 assessors to be trained across Australia.

Sustainable Footprint signed the following MOUs:

- Signed an MOU with our South Australian partner – EPMG. EPMG is to be the Sustainable Footprint representative organisation to promote our branding and sales in that state.
- Accounting firm Brentnalls signing MOU to roll out our audit services across Australia to their existing client base of 2,000 customers mainly in the SME sector as a value add service delivery to their existing offerings.

## Conclusion

The tight integration of Sustainable Footprint (Integration Services Division) with the Financial Services and Technical Services Divisions will further strengthen the concept of Green Invest being positioned as the pre-eminent, totally integrated service solutions provider in the Sustainability and Environmental Sectors. Cross-selling and up-selling opportunities will arise from this integration. Sustainable Footprint (Integration Services Division) will also generate revenues with:

- a) The growing need for **Audit Services** nationally.
- b) The **Training** of assessors is a growing lucrative market for Sustainable Footprint. Expansion of this market can be seen for the next two to three years.
  - i. The roll out of the **Green Professional** model, enabling Sustainable Footprint's trained assessors to be able to deliver products and services offered through-out the Green Invest group.
  - ii. Expanded training opportunities of Green Professionals in the commercial sectors as well as their current residential domain.
- c) The Development of a **Sustainable Footprint Portal** to assist assessors and Green Professionals.

### 3. Green Invest Technical Services Division

*Green Plumbers®* currently forms Green Invest's Technical Services Division.

#### Sale/Marketing Team

The introduction of an effective fully integrated Sale/Marketing Team, has already had a positive impact on the Green Invest business (building projects, expanding memberships, growing sales pipelines and aligning business relationships – internally and externally).

# Executive Director's Report (continued)

## *Green Plumbers*<sup>®</sup>

Last quarter has seen *Green Plumbers* minimise the cash burn through cost efficiencies and the introduction of the new *Green Plumbers* business model.

This quarter sees the completion of installations for the Scouts and Green Voucher for Schools projects and the continuation of the National Solar Schools Program (NSSP). National Solar Schools Program (NSSP) is a seven year government grant program that started on the 1st July 2008, that provides opportunities for schools to install a range of green technologies including Solar Photovoltaic systems, Rainwater harvesting systems, Solar Hot Water, Lighting upgrades and other eligible items. *Green Plumbers*<sup>®</sup> with their Alliance Partners will continue to work with schools on this program.

At the time of drafting this report *Green Plumbers*<sup>®</sup> and Sustainable Footprint had targeted a number of promising commercial projects. Some of the targeted projects are:

- a) As a project partner along with two other companies to develop and conduct, in conjunction with the Western Port Greenhouse Alliance (WPGA) and representatives of its member councils, the Eco-Living Community Challenge, a residential household emissions reduction program. *Green Plumbers*<sup>®</sup> will provide facilitation services of their 'Accredited Green Plumbers' to WPGA that will provide installation services of eligible green technologies that meet the Australian government's Green Loans scheme. *Green Plumbers*<sup>®</sup> and Sustainable Footprint have partnered with an Alliance Partner 'Environment Shop' to implement this program. A pilot program of 80 households will initially be selected and then the program will be rolled out to the residents.
- b) The Western Alliance for Greenhouse Action ('WAGA') is a group of seven member municipalities with approximately 650,000 residents. This group aims to alleviate the pressures of climate change in Melbourne's West by setting and achieving climate change mitigation goals. For the housing sectors the goal is to reduce the energy consumption of 50,000 low-income households by at least 25% by 2015 and the wider community by 2020. Overall it is aimed to reduce regional emissions to zero by 2020. *Green Plumbers*<sup>®</sup>, with their sister company Sustainable Footprint and Alliance Partner 'Environment Shop' have responded to a Registration of Interest (ROI) to facilitate the roll out of a bulk-buy program for a wide range of retrofit services and technologies. It is estimated that potentially 15,000 homes will be retrofitted across the WAGA region.
- c) PROJECT BLACK LEOPARD: The "greening" of buildings and infrastructure for a major Australasian financial institution.

Strategic discussions with our sister company Sustainable Footprint has already realized a number of business opportunities complementing our new *Green Plumbers* model.

### **What next:**

With the introduction of the new *Green Plumbers*<sup>®</sup> business model 6000 accredited plumbers will be targeted and offered new membership packages providing greater National footprint across Australia.

Through this quarter will see tailored promotional offers being developed and formalized with manufacturers to enhance not only the *Green Plumbers*<sup>®</sup> brand throughout Australia but provide *Green Plumbers*<sup>®</sup> with tangible business revenues and marketing opportunities.

Already under the new *Green Plumbers*<sup>®</sup> business model, strategic partnerships are being developed with retailers and manufacturers to help provide the *Green Plumbers*<sup>®</sup> with better pricing and opportunities moving forward.

The redevelopment and streamlining of the website to become a more user friendly site, will significantly improve communication for our *Green Plumbers*<sup>®</sup> members.

# Executive Director's Report (continued)

## 4. Green Invest Corporate

At a corporate level since the restructure the focus has been on improving the management and financial performance of the group by:

- Reducing reliance on outside consultants/contractors and bringing most work back in house. This is expected to produce savings in excess of \$300K per annum.
- Consolidate the group's Victorian operations "under-one-roof" at our Collins Street address as well as the service providers used across the group. This is expected to save the group a further \$150K in costs in the new financial year.
- Applying for Government grants and schemes open to the various businesses within the group to assist with the development of some of the Intellectual Property and international expansion of our new model.
- Improved timely management reporting allowing the Board to make more effective decisions regarding the management and direction of the group and each business unit within the group.
- Reviewing and in most cases restructuring the business models of each business within the group to not only position the group for growth but also to reduce unnecessary operational risk.

The benefits of these changes have just started to flow through to the financial performance of the group and many of the problems experienced have been or are being addressed. There is still a lot more work to be done over the next financial year to ensure the future long term success of Green Invest.

## The Future – What Next

By the end of the Financial Year 2008/09 Green Invest had made some hard internal operational and corporate decisions. These decisions have enabled Green Invest to be in a much stronger position and have more control of its destiny today, than ever before. Over the next year Green Invest is positioned and well prepared for growth. Green Invest can now concentrate on more effectively and efficiently communicating its story to the larger market.

- **Green Invest Market Position.** Green Invest is ideally positioned to take advantage of the substantial programmes that will be offered with the certainty of the Government Emission Trading initiatives.
- **Corporate/Business changes planned for this Financial Year:**
  - Expanding of the Board, with Independent Directors.
  - The identification and appointment of a new CEO.
  - Capital Raising to meet expansion needs, when required. A Financial Advisor will be selected to assist us with Investors, Investor Relations and Capital Raising.
  - Investor relations – Road-show etc.
- **Communication.** Green Invest has planned to enhance and upgrade:
  - Website,
  - Investor relations etc
- **Integration.** To unleash the full potential of the Green Invest Business Model further integration is required. The Business Model we have allows Green Invest to span both the Supply and Demand side of the emerging new class of Environmental assets.
- **Sales/Marketing.** The introduction of an integrated Sales/Marketing Team last Quarter will need to be expanded. It will assist the growth and integration of Green Invest.
- **Organic Growth.** Green Invest will start the new Financial Year with a strong business platform. To grow organically and take advantage of stronger economic conditions in this market, Green Invest is today, aggressively seeking new major projects (RTM) and products (alliances etc).
- **Acquisition Growth.** Green Invest has strong business prospects from just organic growth. Our Business Model is sufficiently flexible to provide us a planned way forward if acquisitions make themselves available. Some minor acquisitions are currently being investigated. These acquisitions would need to complement/supplement our Model and be earnings accretive.
- **Global Reach.** Green Plumbers USA continues to be a major objective and opportunity for Green Invest. The US market was greatly affected by the GFC; but with recent green/sustainable initiatives underway in the US, the Green Plumbers USA market is expected to grow strongly. The new Green Plumbers Business Model should enhance Green Plumbers USA potential.

# Executive Director's Report (continued)

Financial Year 2008/09 was a challenging year for most companies, including Green Invest. We have made the hard decisions and introduced change where needed. We have a sound Business Model and a planned way forward. These changes have already begun to take effect; and the flow on benefits should be reaped in this current Financial Year. We have made progress but we cannot afford to take our "eye-off-the-ball".

**Sustainability.** Green Invest is in the right market at the right time with the right business model. The GFC may have caused some delays, but we believe the world is ready "to save the planet and make a dollar"!

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# Corporate Governance Statement

ASX Listing Rule 4.10.3 requires Green Invest Limited to disclose the extent to which it has followed the recommendations of the ASX Corporate Governance Council ('Council') during the financial year. There are 8 principles reported on below. Each principle includes one or more recommendations as well as a guide to reporting.

Green Invest Limited corporate governance principles and policies are structured with reference to the Corporate Governance Council's best practice recommendations as outlined in the revised ASX Corporate Governance Principles and Recommendation issued in August 2007.

## Principle 1 – Lay Solid foundations for management and oversight.

### *Recommendation 1.1 Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions*

The Green Invest Limited board retains responsibility for the following items:

- Setting and monitoring objectives, goals and strategic direction for management with a view to maximising shareholder wealth
- Approving an annual budget and the monitoring of financial performance
- Ensuring adequate internal controls exist and are appropriately monitored for compliance
- Ensuring significant business risks are identified and appropriately managed
- Approving acquisitions
- Ensuring compliance with statutory requirements
- Selecting and appointing new Directors and
- Maintaining the highest business standards and ethical behaviour.

The board has delegated authority within the following areas to the Executive team:

- Monitoring performance of the business
- Ensuring that the business processes in relation to risk management and assurance are met; and
- Approving capital expenditure (except acquisitions) within delegated authority levels.

### *Recommendation 1.2 Companies should disclose the process for evaluating the performance of senior executives*

Executives who have distinct responsibilities have within their employment contract, provision for the establishment of Key Performer Indicators (KPIs). Evaluation will occur against these KPIs and is performed annually.

## Principle 2 – Structure of the board to add value

### *Recommendation 2.1 The majority of the board should be independent directors.*

The Board of Green Invest Limited comprises of one non-executive director and two executive directors. The non-executive director is considered independent by the Board under the definitions provided in the Council's recommendations, thus satisfying this recommendation. Prior to the restructure of the Board in March 2009 the board had a majority of independent directors and it is the board's intention to re-constitute the board in the new financial year and return to an independent board.

### *Recommendation 2.2 The chair should be an independent director.*

The current chairman of the Board of Directors is Mr Peter McCoy. He is considered to be an independent under the Council's definition.

### *Recommendation 2.3 The roles of the chairperson and chief executive officer should not be exercised by the same individual.*

Mr Peter McCoy performs the role of chairperson, while Mr Ronald Lunt carried out the role of Chief Executive Officer (CEO) during the financial year. This recommendation is satisfied.

# Corporate Governance Statement (continued)

## *Recommendation 2.4 The board should establish a nomination committee.*

Prior to the restructure of the Board in March 2009 Green Invest Limited had a nomination and remuneration committee. Due to the current size of the board, Green Invest Limited has not complied with this recommendation since March 2009. This role is currently retained by the full board, until such time that additional board members are appointed.

## Principle 3 – Promote ethical and responsible decision making

### *Recommendation 3.1 Companies should establish a code of conduct and disclose the code or a summary of the code as to:*

- *The practices necessary to maintain confidence in the company's integrity;*
- *The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders*
- *The responsibility and accountability of individuals for reporting and investigating reports of unethical practice.*

Directors, management and staff are expected to act ethically and responsibly and in accordance with the company's Code of Conduct. All Board members are qualified professionals within their respective industries and accordingly conduct themselves in a professional and ethical manner in both their normal commercial activities and the discharge of their responsibilities as directors.

Whenever necessary, individual members of the Board may seek independent professional advice at the expense of the Company in relation to fulfilling their duties as directors.

Additionally, terms and conditions of employment provide detailed instructions as to the acceptable standards of behaviour.

The company has formulated a Code of Conduct which can be viewed on the Company's website.

### *Recommendation 3.2 Companies should establish a policy concerning trading in company securities by directors, senior executives and employees and disclose the policy or a summary of that policy*

The Company has a policy concerning trading in the Company's securities by Directors, management and staff. Trading in the Company's shares by Directors, Executives and Staff of the Company should only occur in circumstances where the market is considered to be fully informed of the Company's activities. This policy requires that Directors, Executives and Staff discuss their intention to trade in the Company's shares with the Executive Chairman of the Company prior to trading. The Board recognises that it is the individual responsibility of each Director and employee to carry this policy through.

Pursuant to the ASX Listing Rule 3.19B agreements that the company has in place with each director, if there is a change in the direct or indirect share holding of a director, they are required to notify the Company Secretary so that the appropriate disclosures can be made to the ASX.

A copy of the securities trading policy can be viewed at the companies' website.

## Principle 4 – Safeguard integrity of financial reporting.

### *Recommendation 4.1 The board should establish an audit committee.*

The Company has an Audit Committee. The primary role of the Audit is to assist the Board in fulfilling its responsibilities relating to the accounting, internal control and reporting practices of the Company and its subsidiaries.

The main functions of the Audit Committee are:

- To act as a committee of the Board of Directors in discharging the Board's responsibilities as they relate to financial reporting policies and practices, accounting policies and management and internal controls;
- To provide through meetings a forum for communication between the Board, senior financial management and external auditors,

# Corporate Governance Statement (continued)

## *Recommendation 4.1 The board should establish an audit committee – (continued).*

The responsibilities of the Audit Committee include monitoring compliance with requirements of the Corporations Act 2001, Stock Exchange Listing Rules, Australian Securities Commission, taxation legislation and other laws as they apply to the subject matter of the Audit Committee's functions

## *Recommendation 4.2 the audit committee should be structured so that it:*

- *Consists only of non-executive directors,*
- *Consists of a majority of independent directors*
- *Is chaired by an independent chair, who is not the chair of the board*
- *Has at least three members.*

The Audit Committee comprises of Mr Peter McCoy (Chairman), Mr Ronald Lunt and Mr Ken Edwards. Prior to March 2009 the audit committee was in compliance with this recommendation. Since the restructure of the Board this recommendation is not currently being met.

The Company secretary acts as the Committee secretary assisting members. The Company's external auditors are invited to attend the Committee's meetings. In addition, the Committee is able to seek and obtain input from external consultants as required.

## *Recommendation 4.3 The audit Committee should have a formal operating charter.*

The Audit & Risk Committee has a formal charter which sets out the Committee's role and responsibilities, composition, structure and membership requirements. The Audit & Risk Committee is given the necessary power and resources to meet its charter.

## **Principle 5 – Make timely and balanced disclosure**

### *Recommendation 5.1 Companies should establish written policies and procedures designed to ensure compliance with ASX listing rule disclosure requirements and to ensure accountability at senior management level for that compliance and disclose those policies or a summary of those policies.*

The Board adopted a Disclosure policy. Green Invest Limited recognises that it has a legal and moral obligation to immediately disclose to the market any information that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The directors and senior management personnel of Green Invest Limited acknowledge that they each have an obligation to identify and immediately disclose information that may be regarded as material to the price or value of the Company's securities.

The Chairman and Chief Executive Officer is authorised to make statements and representations on Green Invest Limited's behalf. The Company Secretary is responsible for overseeing and coordinating the disclosure of information to the ASX, analysts, stockbrokers, shareholders, the media and the public.

The Directors and senior management personnel must ensure that the Company Secretary is aware of all information to be presented at briefings with analysts, stockbrokers, the media and the public.

Prior to being presented, information that has not already been the subject of disclosure to the market and is not generally available to the market must be the subject of disclosure to the ASX. Only when confirmation of receipt of the disclosure and release to the market by the ASX is received may the information be presented. Such subject material will also be placed on the company's website.

If information that would otherwise be disclosed comprises matters of supposition or is insufficiently definite to warrant disclosure, or if the effect of a disclosure on the value or price of the Company's securities is unknown, Green Invest Limited may request that the ASX grant a trading halt or suspend its securities from quotation. Management of Green Invest Limited may consult the Company's external professional advisers and the ASX in relation to whether a trading halt or suspension is required.

# Corporate Governance Statement (continued)

## Principle 6 – Respect the rights of shareholders

*Recommendation 6.1 Companies should design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings and disclose their policy or a summary of that policy.*

Planned communications to shareholders are:

- The annual report is printed and distributed to shareholders free of charge to all shareholders. An electronic company is also placed on the company's website. The board ensures that the annual report includes relevant information about the operation of the company during the year, changes in the state of affairs of the Company and details of future development, in addition to the other disclosures required by the Corporations Act 2001;
- The half-year report contains summarised financial information and a review of operations of the Company during the period. The half-year financial report is prepared in accordance with the requirements of Accounting standards and the Corporations Act and is lodged with the ASX;
- The Company's internet website ([www.greeninvest.com](http://www.greeninvest.com)) is regularly updated and provides details of all announcements by the Company to the ASX, annual reports and general information on the company and its business.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. The company invites its external auditors to attend the meeting for the purpose of answering shareholders questions.

## Principle 7 – Recognise and manage risk

*Recommendation 7.1 Companies should establish policies for the oversight and management of material business risk and disclose a summary of those policies.*

The Board has responsibility for managing risk and internal control and acknowledges that risk management is a core principle of sound Corporate Governance. The financial viability, reputation and future of the company are materially dependent on the manner in which risk is managed.

The Board's strategy covers the areas of Financial Risk, Operational Risk, Insurance and Internal Control. The company has not appointed a Risk Management Committee due to the importance the Board places on risk mitigation. In addition, the small size of the Board makes it appropriate for the full board to manage this area.

### Financial Risk

The Board receives regular financial reports which measure performance and trends against budget. The reports are discussed at Board Meetings and the Chief Financial Officer answers questions posed by the Directors. Any variations from budget are highlighted, explained and evaluated. This scrutiny is appropriate to a company of the size of Green Invest Limited. In addition to monthly financial reporting, the company has in place policies to manage credit, foreign exchange and other business risks. Non-executive Directors meets at appropriate times with the external auditor in order to fulfil its Charter.

### Operational Reporting

Projects are approved only after extensive review by a highly qualified technical staff, and consultants and by submissions to the Board through the Chief Executive Officer. The operations of the company consist of a search for geothermal resources and projects are only considered after a review and evaluation of all technical data on record. Outside consultants are engaged as required to enhance the chances of success. Environmental considerations are factors in the consideration of every new project and are fully evaluated and reported before approval by the Board.

### Insurance

The Board recognises the value of insurance as a risk mitigation strategy and works with a leading insurance broker to ensure that appropriate insurance cover is in place at all times. Contacts with contractors are drawn up or reviewed by solicitors prior to the company entering into any commitment.

# Corporate Governance Statement (continued)

## Internal Control

In a small company, an extensive internal control system is not possible; however there is a natural control as a consequence of being small. The Board works very closely with the staff and, because the transactional volume is small, the Directors have a detailed knowledge of the working of the company. The Directors believe the system of internal control is appropriate to the size of the company and to its level of potential risk.

***Recommendation 7.2 The board should require management to design and implement the risk management and internal control system to manage the company's management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.***

The Board works very closely with the staff and, because the company and its transactional volume is small, the Directors have a detailed knowledge of the workings of the company. It is through the informal and formal (via scheduled board meetings) communications of all areas of the business, that the board is reported to the risks of the business and how effectively they are being managed.

***Recommendation 7.3 The board should disclose whether it has received assurance from the Chief Executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material aspects in relation to financial reporting risks.***

This recommendation was complied with for this financial year.

## Principle 8 – Remunerate Fairly and Responsibly

***Recommendation 8.1 The board should establish a remuneration committee.***

Prior to the restructure of the Board in March 2009 Green Invest Limited had a nomination and remuneration committee. Due to the current size of the board, Green Invest Limited has not complied with this recommendation since March 2009. This role is currently retained by the full board, until such time that additional board members are appointed.

***Recommendation 8.2 Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.***

Non-executive directors are remunerated for their services from the maximum aggregated amount approved by shareholders for that purpose. Their compensation is reviewed by the Board. There are no termination benefits for non-executive directors appointed since listing.

The executive director and senior executives are employed under a contract detailing their remuneration, service period and non-competition clauses. They may be entitled to termination benefits as stipulated in their employment contracts and in accordance with relevant state laws governing long service leave and superannuation. Generally, executives have an element of their remuneration at risk. The key performance Indicators (KPIs) which will entitle them to access the at risk portion of their remuneration are set at commencement of employment and will be reviewed through the annual business planning and review process.

# Directors' Report

The directors present their report together with the financial report of the consolidated entity consisting of Green Invest Limited and the entities it controlled, for the financial year ended 30 June 2009 and auditor's report thereon. This financial report has been prepared in accordance with Australian equivalents of International Financial Reporting Standards. The Directors in office at any time during or since the end of the year to the date of this report are:

## CURRENT DIRECTORS

PETER MCCOY      RONALD LUNT      KEN EDWARDS

Chairman and  
Non-Executive  
Director      Group Managing  
Director      Executive  
Director

Appointed 16  
March 2009      Appointed 16  
February 2009      Appointed 30  
November 2007

## FORMER DIRECTORS

### DIRECTORS RETIRED DURING THE YEAR

DAVID GALBALLY      IAN MCMILLAN      RAY HERBERT      ADRIAN PRATT      ANDREW BONWICK      RICHARD JARMAL DAVID

Chairman and  
Non-Executive  
Director      Group Managing  
Director      Non-Executive  
Director      Non-Executive  
Director      Non-Executive  
Director      Non-Executive  
Director

Appointed 30  
November 2007      Appointed 30  
November 2007      Appointed 30  
November 2007      Appointed 15  
August 2008      Appointed 30  
November 2007      Appointed 16  
February 2009

Resigned 16  
March 2009      Resigned 16  
March 2009      Resigned 11  
November 2008      Resigned 16  
March 2009      Resigned 15  
August 2008      Resigned 16  
March 2009

### Company Secretary Ms Sophie Karzis, B.Juris LLB

Ms. Karzis was appointed as Company Secretary on 30 November 2007 and resigned 1 April 2009. Ms Karzis is a practising lawyer who holds roles at a number of public and private companies.

Mr Ronald Lunt

Mr Lunt was appointed as Company Secretary on 1 April 2009 and is currently also the Group Managing Director.

## Nature of Operations and Principal Activities

Green Invest Limited listed on the ASX in February 2008 and comprises GreenPlumbers, a leading Australian plumbing licensee network focused on the national distribution and installation of environmentally friendly plumbing products. Next Generation Energy Solutions (NextGen), the largest carbon trader in Australia as well as wholesale electricity trader. Sustainable Footprint was acquired during the financial year and is the provider of environmental audits to commercial and residential clients as well as a provider of environmental education services. Sustainable Footprint (SF), is a Sustainability Audit business reporting to SME's on their carbon footprint and making recommendations to reduce that footprint resulting in associated costs savings. SF has also developed an Internet Portal that allows other auditors to produce audit reports for their clients using an in depth modelling system and vast database of everyday items and their carbon footprint. Finally SF has also developed training modules that allow them to train prospective auditors in doing residential and commercial audits.

There have been no significant changes in the nature of these activities during the financial year.

# Directors' Report (continued)

## Review & Results of Operations

The consolidated loss after tax of the economic entity for the financial year attributable to the members of Green Invest Limited was \$2,970,560 (2008: \$1,556,436).

Details of the operations of Green Invest Limited during the year, the financial position and the strategies and prospects for the future years can be found in the Chairman's Report and the Group Managing Directors' Report on pages 4 to 13.

A review of the operations of the consolidated entity during the financial year and the results of those operations are as follows:

The project management and licensing business operating under the Green Plumbers® brand generated revenues of \$4.44 million (2008: \$1.81 million) which allowing for the costs associated with structuring the business for growth created a loss of \$0.44 million (2008: \$0.32 million) in this business segment. The energy trading business operating under the Next Gen brand generated revenues of \$2.71 million (2008: \$1.32 million) and generated losses of \$0.30 million (2008: \$0.14 million). The sustainability audit business under Sustainable Footprint generated revenue of \$0.15 million and generated losses of \$0.30 million. The corporate overheads and group costs unallocated to business segments were \$1.93 million (2008: \$1.1 million) for the year including impairment losses of \$0.83 million. The combined result of all operations was a loss of \$2.97 million (2008: \$1.56 million).

The Company's operating performance has been impacted by the restructuring to ensure the Company can manage the growth of the business, nationally and internationally. It is likely that the restructuring will start to benefit the Group after the first few months of the next financial year.

## Significant Changes in the State of Affairs

On 10 July 2008 Green Invest Limited entered into a contract to acquire 100% of the issued capital in Sustainable Footprint Pty Ltd (SF). The effective date of the acquisition was 1 July 2008. SF contributed revenues of \$149,826 and a net loss of \$296,477 to the Group for the period from 1 July 2008 to 30 June 2009.

In the opinion of the Directors there were no other significant changes in the state of affairs of the Company and its controlled entities that occurred during the financial year under review not otherwise disclosed in this report or the accompanying financial report.

## Events Subsequent to Balance Date

Subsequent to the end of the financial year, the following event took place:

### Capital Raising

The convertible notes previously issued by the company have been extended to periods ending 30 June 2010 and 31 December 2010.

## Likely Developments

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years has been made in part in the Chairman's Report and the Group Managing Director's Report on pages 4 to 13. Any further such disclosure and the expected results of those operations are likely to result in unreasonable prejudice to the consolidated entity and have accordingly not been disclosed in this report.

## Environmental Regulation and Performance

The economic entity's operations are not subject to any significant environmental regulations under the Commonwealth or State legislation. However, the Directors believe that the economic entity has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the economic entity.

# Directors' Report (continued)

## Dividends

No dividend has been declared by the Directors for this financial year.

## Share Options

Options over unissued ordinary shares or interests in the consolidated entity that were granted during or since the end of the financial year to directors and executives as part of their remuneration is detailed below and in the Remuneration Report.

## Shares Under Option

Unissued ordinary shares of Green Invest Limited under option at the date of this report are as follows:

Number of unissued ordinary shares under option	Exercise price of options	Expiry date of the options
17,500,000	\$1.00	1 December 2012
450,000	\$1.20	28 November 2010
1,000,000	\$0.50	30 September 2011
500,000	\$0.60	24 December 2013
2,800,000	\$0.25	27 February 2012

No option holder has any right under the options to participate in any other share issue of the Company.

## Shares Issued On Exercise of Options

There were no ordinary shares of Green Invest Limited issued during or since the end of the financial year as a result of the exercise of options.

## Indemnification and Insurance of Directors and Officers

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and all executive officers of the Company and of any related body corporate against a liability incurred as a Director, Secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium as required by section 300(9) of the Corporations Act 2001.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as an officer or auditor.

## Proceedings on Behalf of the Consolidated Entity

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity.

# Directors' Report (continued)

## Information on Directors and Company Secretary

The qualifications, experience and special responsibilities of each person who has been a director of Green Invest Limited at any time during or since the end of the financial year is provided below, together with details of the company secretary as at the year end.

Peter McCoy  
Appointed 16 March 2009

Chairman and non-executive director  
Member of the Audit Committee and Nomination and Remuneration Committee.

Peter McCoy was admitted to practice as a solicitor in 1976 and joined the firm Clemens Lucas & Co in 1976 (Partner from 1979 to 1981). Peter continued in private practice until 1996. During that period he specialised in property, banking and more recently was responsible for the establishment of a number of overseas funded private investment syndicates with investments in real estate [public and private], agricultural/aquaculture activities, mining [public and private] and finance sectors.

In 1996 he retired from practice to concentrate on the investment projects both local and international.

No other directorships of listed companies were held by Mr McCoy at any time during the three years prior to 30 June 2009.

Ronald Lunt  
Appointed 16 February 2009 (As Director)  
Appointed 1 April 2009 (As Company Secretary)

Group Managing Director and Company Secretary  
Member of the Audit Committee and Nomination and Remuneration Committee.

Ron Lunt has 15 years experience in the Information Technology industry, in both IT security and enterprise management. He is a former director of Senetas Corporation Limited.

No other directorships of listed companies were held by Mr Lunt at any time during the three years prior to 30 June 2009.

Ken Edwards  
*B.App.Sci Dip Fin Serv*  
Appointed 30 November 2007

Executive Director  
Member of the Audit Committee, Nomination and Remuneration Committee.

Ken jointly founded NextGen in 2000, and has been primarily responsible for developing NextGen's leading position in domestic environmental commodities market. Prior to this Ken was responsible for establishing the energy trading operations at Victorian based generator, Energy Brix Australia Corporation (1999). Ken previously held a number of senior roles with domestic energy utilities and retailers including Victorian based retailer Citipower, and the electricity and water utility of the Australian Capital Territory, ACTEW.

Before entering the energy market in 1996, Ken gained extensive experience in the financial markets specifically in the areas of interest rate derivatives. With a total of 16 years experience, he has held senior treasury positions at Toronto Dominion, National Australia Bank and the ANZ Bank. Ken graduated from Monash University with a bachelor of science degree (multi-discipline) in 1979 and has completed several external treasury courses during his career. Ken is a former director of Vicpower Trading, previously the Victorian State Government owned State Electricity Commission of Victoria.

No other directorships of listed companies were held by Mr Edwards at any time during the three years prior to 30 June 2009.

# Directors' Report (continued)

## Information on Directors and Company Secretary – (continued)

David Galbally  
*B. Juris LLB*  
Appointed 30 November 2007  
Resigned 16 March 2009

Former Chairman  
Former Member of the Audit Committee, Nomination and Remuneration Committee and Investment Committee.

David Galbally was admitted to practice as a solicitor in 1975 and joined the firm Galbally & O'Bryan in 1976 (Partner from 1977 to 1983). David commenced practice as a barrister in 1983 and was appointed Queen's Counsel in 1996. In 2000 he joined Browne & Co Solicitors and Consultants Pty Ltd as a Partner where he currently practices.

Since 2001 he has been Chairman of the Transport Workers Union Superannuation Fund, He is also a director of Enviromission Limited, Honorary Chairman of the Royal Children's Hospital Centre for Hormone Research, Vice President of Alzheimer's Victoria, and Patron of the Mental Health Council of Australia.

Over the years he has advised many boards and organisations on governance and risk management issues. He currently practices in corporate and commercial law, and white-collar crime.

No other directorships of listed companies were held by Mr Galbally at any time during the three years prior to 16 March 2009.

Ian McMillan  
*WDA*  
Appointed 30 November 2007  
Resigned 16 March 2009

Former Group Managing Director  
Former Member of the Nomination and Remuneration Committee and Investment Committee.

Ian has also held senior management roles with Mars/Uncle Bens. Ian has been a board member of Victorian Dairy Industry Authority, Australian Milk Marketing, Queensland Butter and President of both Petfood Manufacturers of Australia and the Milk Processors Association of Victoria. Ian was a member of the Victorian Government Agribusiness Council. Ian consults widely to business in the areas of information technology, mobility equipment, packaging, biodiesel, building materials, agribusiness, retail and distribution.

No other directorships of listed companies were held by Mr McMillan at any time during the three years prior to 16 March 2009.

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# Directors' Report (continued)

## Information on Directors and Company Secretary – (continued)

Ray Herbert  
*FIE Aust CP Eng.*  
Appointed 30 November 2007  
Resigned 11 November 2008

Former Non Executive Director  
Former Member of the Audit Committee, Nomination and Remuneration Committee and Investment Committee.

Ray Herbert is a Civil Engineer whose career experience includes twenty years (1960-80) of construction management including large complex water and waste water infrastructure projects. Ray is also the former CEO of the Master Plumbers and Mechanical Services Association of Australia (MPMSAA) where for over the past twenty years he was responsible for the strategic development and direction of business to business services to 2000 businesses; and through the MPMSAA Registered Training Organisation (RTO), the provision of accredited training to thousands of plumbers throughout Australia.

Ray has extensive experience of industry representation and has travelled widely in Europe, USA and Asia on behalf of the plumbing industry and government advisory bodies in respect to the globalisation of standards and technologies.

Ray is currently director of Global Climate Action Services Pty Ltd which provides corporate advisory services to industry.

No other directorships of listed companies were held by Mr Herbert at any time during the three years prior to 11 November 2008.

Adrian Pratt  
Appointed 15 August 2008  
Resigned 16 March 2009

Former Non Executive Director  
Former Chairman of the Audit Committee, Nomination and Remuneration Committee and Investment Committee.

Adrian Pratt has had a long and distinguished career in the environmental engineering sector and through his company Walter J Pratt Pty Ltd has been involved with many major projects throughout Australia and the Pacific. As well as water treatment expansion projects, the company continues to maintain hydraulic services and successfully completed many major projects including Federation Square, Melbourne Museum, and the Commonwealth Law Courts. Adrian has also received technical product training in Barcelona, Milan, New York and China.

Adrian is currently a director of Sustainable Solutions International Pty Ltd (QLD), WJP Solutions Pty Ltd (Vic), HydraTech Designs Pty Ltd (Vic) and IC Solutions Australia Pty Ltd (NSW), all of which provide varying niche services to the environmental industry including design, PLC controls and installation of any water associated recycling objectives.

No other directorships of listed companies were held by Mr Pratt at any time during the three years prior to 16 March 2009

# Directors' Report (continued)

## Information on Directors and Company Secretary – (continued)

Richard Jarmal David  
Appointed 16 February 2009  
Retired 16 March 2009

Former Non Executive Director

Jarmal Richard is the founder and Principal of jdrlegal. He has successfully managed legal and commercial risks for major companies in Australia, Asia and the USA. He specializes in corporate and commercial advisory work, including international commercial, franchising, intellectual property and technology transactions.

Jarmal is certified to practice law in both Australia and the USA.

Prior to establishing jdrlegal, Jarmal was General Counsel & Company Secretary of Damovo (Australia) Pty Ltd and Legal Counsel for Hitachi Data Systems, Asia Pacific. Jarmal's experience includes working with firms such as Blake Dawson Waldron and Dunhill Madden Butler.

Jarmal received his Bachelor of Arts (BA), English from Dartmouth College and his Juris Doctor (JD) – University of Southern California Law School. He is currently a part time PhD candidate (by research) at RMIT School of Business, with a research focus on the commercialization of intellectual property by entrepreneurs.

No other directorships of listed companies were held by Mr Pratt at any time during the three years prior to 16 March 2009.

Andrew Bonwick  
B Eng (RMIT) and M Comm (U  
Melb).  
Appointed 30 November 2007  
Retired 15 August 2008

Former Executive Director between 30 November 2007 and 15 August 2008

Andrew has had over 15 years experience in the energy industry. Andrew is a non executive director of Energy One Limited, and was previously a director of Australian Energy Limited.

No other directorships of listed companies were held by Mr Bonwick at any time during the three years prior to 15 August 2008.

Former Company Secretary  
Sophie Karzis B.Juris LLB  
Appointed 30 November 2007  
Resigned 1 April 2009

Ms Karzis was appointed as Company Secretary in November 2007 and resigned on 1 April 2009. Ms Karzis is a practising lawyer who holds roles at a number of public and private companies.

# Directors' Report (continued)

## Directors' Meetings

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each Director while they were a Director or committee member.

	Board of Directors		Audit Committee		Nomination and Remuneration Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
David Galbally	6	6	4	3	2	2
Adrian Pratt	5	5	4	4	1	1
Andrew Bonwick	1	1	-	-	1	1
Ken Edwards	7	6	1	1	2	2
Ray Herbert	3	1	3	1	1	1
Ian McMillan	6	6	-	-	2	2
Richard Jarmal David	1	1	-	-	-	-
Peter McCoy	1	1	-	-	-	-
Ron Lunt	1	1	-	-	-	-

## Directors' Interests in Shares or Options

The following table sets out each current Director's relevant interest in shares and options in shares of the Company as at the date of this report.

Directors	Fully Paid Ordinary Shares (Direct)	Fully Paid Ordinary Shares (Indirect)	Options over Ordinary Shares (Direct)
Peter McCoy	-	-	-
Ken Edwards	-	3,200,000	500,000
Ronald Lunt	6,514,444	200,000	5,833,333

## Directors' Interests in Contracts

Directors' interests in contracts are disclosed in note 25 to the financial statements.

## Auditor Independence and Non-Audit Services

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report.

# Directors' Report (continued)

## Non-Audit Services

Non-audit services are approved by resolution of the audit committee and approval is provided in writing to the board of directors. Non-audit services provided by the auditors of the consolidated entity during the year, Pitcher Partners, are detailed below. The directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Amounts paid or payable to the parent Company auditor for non-audit services provided during the year by the auditors to any entity that is part of the consolidated entity for:

	Consolidated	
	2009 (\$)	2008 (\$)
Tax and compliance services *	94,052	9,080
Investigating Accountant's Report	-	130,000
Due diligence on acquisitions and other assurance	-	85,000
Other assurance services	15,845	34,000
<b>Total</b>	<b>109,897</b>	<b>258,080</b>

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# Remuneration Report (Audited)

This report contains the remuneration arrangements in place for Directors and executives of the Company.

The Remuneration Committee reviews the remuneration packages of all Directors and executive officers on an annual basis and makes recommendations to the Board. Remuneration packages are reviewed with due regard to performance and other relevant factors, and advice is sought from external advisors in relation to their structure.

The Company's remuneration policy is based on the following principles:

- Provide competitive rewards to attract high quality executives;
- Provide an equity incentive for senior executives that will provide an incentive to executives to align their interests with those of the Company and its shareholders; and
- Ensure that rewards are referenced to relevant employment market conditions.

Remuneration packages contain the following key elements:

- Primary benefits – salary/fees;
- Benefits, including the provision of motor vehicles and superannuation; and

## Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive Directors and senior manager remuneration is separate and distinct.

## Non-Executive Director Remuneration

### Objective

The Board seeks to set remuneration at a level which provides the Company with the ability to attract and retain directors of relevant experience and skill, whilst incurring costs which are acceptable to shareholders.

### Structure

The Company's Constitution provides that non-executive Directors may collectively be paid from an aggregate maximum fixed sum out of the funds of Green Invest Limited as remuneration for their services as Directors. The aggregate maximum fixed sum has been set at \$300,000 per annum. The Constitution and the Australian Securities Exchange Listing Rules specify that the aggregate remuneration amount can only be increased by the passing of an ordinary resolution of shareholders. Since the Company's conversion to a public company, this fixed amount has not been increased. The amount of the aggregate remuneration and the manner in which it is apportioned is reviewed periodically. The Board considers fees paid to Non-Executive Directors of comparable companies when undertaking this review process.

Each Non-Executive Director receives a fee for being a Director of the Company and does not participate in performance based remuneration. Non-Executive Directors are encouraged to hold shares in the Company (purchased by the Director on-market). It is considered good governance for Directors to have a stake in the Company.

The remuneration of Non-Executive Directors for the period ended 30 June 2009 is detailed below.

# Remuneration Report (continued)

## Senior Manager & 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. The objective of the remuneration policy is:

- Reward executives for Company and individual performance;
- Align the interests of the executives with those of the shareholders; and
- Ensure that total remuneration is competitive by market standards.

### Structure

In determining the level and make-up of executive remuneration, the Remuneration Committee reviews reports detailing market levels of remuneration for comparable roles. Remuneration currently consists of fixed and variable elements which are dependent on the satisfaction of such performance conditions as may be imposed by the Nomination & Remuneration Committee. There are not currently any predetermined performance conditions which upon satisfaction would give rise to an element of remuneration to a director, secretary or senior manager. Bonuses are paid out at various times during the year and are determined at the discretion of the Nomination & Remuneration Committee.

During the year Ken Edwards received cash bonuses based on his performance as a trader within the Next Generation Energy Solutions Pty Ltd business. These bonuses were in accordance with his employment agreement and consistent with bonuses paid to other traders of derivative products. Ken Edwards will not continue to receive cash bonuses under the bonus system for Next Generation Energy Solutions Pty Ltd derivative traders based on his performance as a trader.

The names and positions of each person who held the position of director at any time during the financial year is provided on pages 22 to 25.

The named executives of the consolidated group who received the highest remuneration for the financial year are listed below there are no other executives employed by the consolidated group.

Executives	Position
Michael Kirby	Chief Financial Officer (Appointed 22 April 2009)
Sophie Karzis	Company Secretary (Appointed 30 November 2007, Resigned 1 April 2009)
Stephen Munday	Chief Financial Officer (Appointed 10 June 2008, Resigned 30 April 2009)

# Remuneration Report (continued)

2009 Directors	Short Term Benefits			Post Employment	Share Based Payments	Total (\$)	Performance Related	
	Salary & Fees (\$)	Cash bonus (\$)	Non-monetary (\$)	Superannuation (\$)	Shares/ options (\$)		Bonus %	Shares %
Ronald Lunt	-	-	-	-	-	-	-	-
Peter McCoy**	-	-	-	-	-	-	-	-
Ken Edwards	230,481	25,606	-	12,672	15,296	284,055	9%	5%
Ian McMillan	229,943	-	-	13,722	-	243,665	-	-
David Galbally	60,007	-	-	-	-	60,007	-	-
Andrew Bonwick+	-	-	-	-	-	-	-	-
Ray Herbert	27,364	-	-	2,454	-	29,818	-	-
Adrian Pratt **	30,000	-	-	2,700	-	32,700	-	-
Richard Jarmal David **	2,917	-	-	-	-	2,917	-	-
<b>Total</b>	<b>580,712</b>	<b>25,606</b>	<b>-</b>	<b>31,548</b>	<b>15,296</b>	<b>653,162</b>		

\*\* These Directors were appointed during 2009 Financial Year. They did not receive any remuneration during the 2008 financial year.

+ Andrew Bonwick resigned as Director on 15 August 2008 and was replaced by Adrian Pratt on this date.

2008 Directors	Short Term Benefits			Post Employment	Share Based Payments	Total (\$)	Performance Related	
	Salary & Fees (\$)	Cash bonus (\$)	Non-monetary (\$)	Superannuation (\$)	Shares (\$)		Total %	Options %
Ian McMillan	181,190	-	-	8,057	200,000	389,247	-	51%
Ken Edwards	218,333	144,274	-	7,500	-	370,107	39%	-
David Galbally	40,002	-	-	-	-	40,002	-	-
Andrew Bonwick +	73,070	-	-	2,830	-	75,900	-	-
Ray Herbert	31,444	-	-	2,830	-	34,274	-	-
Michael Kirwan #	-	-	-	-	1,267	1,267	-	-
Francis Galbally #	-	-	-	-	1,267	1,267	-	-
Ronald Lunt	-	-	-	-	1,267	1,267	-	-
<b>Total</b>	<b>544,039</b>	<b>144,274</b>	<b>-</b>	<b>21,217</b>	<b>203,801</b>	<b>913,331</b>		

+ Andrew Bonwick retired as Director on 15 August 2008 and was replaced by Adrian Pratt on this date. Adrian did not receive any remuneration during the 2008 year.

# Michael Kirwan and Francis Galbally resigned as Directors on 30 November 2007.

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# Remuneration Report (continued)

2009 Executives	Short Term Benefits			Post Employment	Share Based Payments	Total	Performance Related	
	Salary & Fees (\$)	Cash bonus (\$)	Non-monetary (\$)	Superannuation (\$)	Options (\$)	(\$)	Total %	Options %
Michael Kirby +	21,650	-	-	-	-	21,650	-	-
Sophie Karzis ^	56,250	-	-	-	-	56,250	-	-
Stephen Munday ^	168,771	-	-	11,497	-	180,268	-	-
<b>Total</b>	<b>246,671</b>	<b>-</b>	<b>-</b>	<b>11,497</b>	<b>-</b>	<b>258,168</b>		

+ Michael Kirby was appointed Chief Financial Officer to the Green Invest Group on 22 April 2009. 2008 comparative information is not applicable.

^ Sophie Karzis resigned as Company Secretary on 1 April 2009 and Stephen Munday as Chief Financial Officer on 30 April 2009. Stephen Munday was appointed Chief Financial Officer on 10 June 2008, but did not receive any remuneration during the 2008 financial year.

2008 Executives	Short Term Benefits			Post Employment	Share Based Payments	Total	Performance Related	
	Salary & Fees (\$)	Cash bonus (\$)	Non-monetary (\$)	Superannuation (\$)	Options (\$)	(\$)	Total %	Options %
Sophie Karzis *	60,129	-	-	-	-	60,129	-	-
Peter Hoefler *	78,000	-	-	-	-	78,000	-	-
<b>Total</b>	<b>138,129</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>138,129</b>		

\* Sophie Karzis was appointed Company Secretary on 30 November 2007 and Peter Hoefler was appointed Chief Operating Officer of Green Plumbers on 15 February 2008. Peter Hoefler ceased being an executive of the company during the 2008 financial year.

Compensation by category	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Short-term employment benefits	852,989	826,442	586,502	463,835
Post employment benefits	43,045	21,217	30,373	13,717
Share-based payments	15,296	203,801	15,296	203,801
<b>Total</b>	<b>911,330</b>	<b>1,051,460</b>	<b>632,171</b>	<b>681,353</b>

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# Remuneration Report (continued)

## Terms of Employment Contracts

The Company's Executive Director Ken Edwards is employed under an employment agreement with the Company.

The Company has an employment agreement with Mr. Edwards for his services as Next Generation Energy Solutions Pty Ltd's Chief Executive Officer under which his remuneration is \$250,000 per annum exclusive of superannuation. Mr. Edwards' contract commenced on 15 February 2008 and the initial period is for a period of 3 years from this date. Under this Agreement, either party can terminate the arrangement at any time by giving to the other notice in writing for a period of not less than three (3) months or in the case of the Company by providing an equivalent payment in lieu of such notice. Mr. Edwards receives commissions on brokerage sales consistent with performance related arrangements in the derivatives trading market. Ken Edwards will not continue to receive commissions on brokerage sales under the bonus system for Next Generation Energy Solutions Pty Ltd derivative traders based on his performance as a trader.

The remaining Company Executive Director Ronald Lunt has agreed to provide his services currently for no remuneration.

## Directors' And Executives' Equity Holdings

### (a) Compensation Options: Granted and vested during the year (consolidated)

#### Directors

2009	Vested Number	Granted Number	Grant Date	Value per option at grant date	Terms and conditions for each grant			
					Exercise Price \$	Expiry Date	First Exercise Date	Last Exercise Date
Ronald Lunt	-	-	-	-	-	-	-	-
Peter McCoy +	-	-	-	-	-	-	-	-
Ken Edwards	-	500,000	24/12/2008	\$0.09	\$0.60	24/12/2013	-	24/12/2008
McMillan ^	-	1,750,000	24/12/2008	\$0.09	\$0.60	16/03/2009	-	-
David Galbally ^	-	1,500,000	24/12/2008	\$0.09	\$0.60	16/03/2009	-	-
Andrew Bonwick	-	-	-	-	-	-	-	-
Ray Herbert	-	-	-	-	-	-	-	-
Adrian Pratt + ^	-	150,000	24/12/2008	\$0.09	\$0.60	16/03/2009	-	-
Richard Jarmal David +	-	-	-	-	-	-	-	-
	-	3,900,000						

^ Ian McMillan, David Galbally and Adrian Pratt resigned as Directors on 16 March 2009 and their options expired upon their resignation date.

+ Peter McCoy, Adrian Pratt and Richard Jarmal David were appointed during the 2009 financial year therefore the 2008 comparatives are not applicable.

# Remuneration Report (continued)

## (a) Compensation Options: Granted and vested during the year (consolidated) – (continued)

2008	Vested Number	Granted Number	Grant Date	Value per option at grant date	Terms and conditions for each grant			
					Exercise Price \$	Expiry Date	First Exercise Date	Last Exercise Date
<b>Directors</b>								
Ron Lunt	2,933,334	2,933,334	02/08/2008 and 18/10/07	\$0.0004	\$1.00	01/12/2012	02/08/2008 and 18/10/07	01/12/2012
Ken Edwards	-	-	-	-	-	-	-	-
Ian McMillan	-	-	-	-	-	-	-	-
David Galbally	-	-	-	-	-	-	-	-
Andrew Bonwick	450,000	450,000	15/02/2008	\$0.0004	\$1.20	28/11/2010	15/02/2008	28/11/2010
Ray Herbert	-	-	-	-	-	-	-	-
Michael Kirwan *	2,933,333	2,933,333	02/08/2008 and 18/10/07	\$0.0004	\$1.00	01/12/2012	02/08/2008 and 18/10/07	01/12/2012
Francis Galbally *	2,933,333	2,933,333	02/08/2008 and 18/10/07	\$0.0004	\$1.00	01/12/2012	02/08/2008 and 18/10/07	01/12/2012
	<b>9,250,000</b>	<b>9,250,000</b>						

\* Michael Kirwan and Francis Galbally resigned as Directors on 30 November 2007.

### Executives

2009	Vested Number	Granted Number	Grant Date	Value per option at grant date	Terms and conditions for each grant			
					Exercise Price \$	Expiry Date	First Exercise Date	Last Exercise Date
Michael Kirby +	-	-	-	-	-	-	-	-
Sophie Karzis ^	-	-	-	-	-	-	-	-
Stephen Munday ^	-	1,500,000	24/12/2008	\$0.09	\$0.40	16/3/2009	-	-

+ Michael Kirby was appointed Chief Financial Officer to the Green Invest Group on 22 April 2009. 2008 comparative information is not applicable.

^ Sophie Karzis resigned as Company Secretary 1 April 2009 and Stephen Munday as Chief Financial Officer 30 April 2009. Stephen Munday's options expired on his resignation date.

No executives were granted Options during the 2008 financial year.

## (b) Shares issued on exercise of compensation options (consolidated)

There were no shares issued during the year or the previous financial year to Directors or Executives on exercise of compensation options.

# Remuneration Report (continued)

## (c) Number of options held by Key Management Personnel (consolidated):

### Directors

2009	Balance 01/07/08	Granted as remuneration	Options exercised	Net change other	Balance 30/06/09	Total vested 30/06/09	Total Exercisable 30/06/09	Total Unexercisable 30/06/09
Ron Lunt	5,833,334	-	-	-	5,833,334	5,833,334	5,833,334	-
Peter McCoy +	-	-	-	-	-	-	-	-
Ken Edwards	-	500,000	-	-	500,000	-	-	500,000
Ian McMillan ^	-	1,750,000	-	(1,750,000)	-	-	-	-
David Galbally ^	-	1,500,000	-	(1,500,000)	-	-	-	-
Adrian Pratt + ^	-	150,000	-	(150,000)	-	-	-	-
Andrew Bonwick ++	450,000	-	-	(450,000)	-	-	-	-
Ray Herbert	-	-	-	-	-	-	-	-
Richard Jarmal David +	-	-	-	-	-	-	-	-
	<b>6,283,334</b>	<b>3,900,000</b>	<b>-</b>	<b>(3,850,000)</b>	<b>6,333,334</b>	<b>5,833,334</b>	<b>5,833,334</b>	<b>500,000</b>

+ Peter McCoy, Adrian Pratt and Richard Jarmal David were appointed during 2009 financial year therefore the 2008 comparatives are not applicable.

^ Ian, Adrian and David resigned as Directors on 16 March 2009 and their options expired on their resignation.

++ Andrew Bonwick resigned on 15 August 2008. The options were held on resignation date and converted to unrelated party.

2008	Balance 01/07/07	Granted as remuneration	Options exercised	Net change other*	Balance 30/06/08	Total vested 30/06/08	Total Exercisable 30/06/08	Total Unexercisable 30/06/08
Ian McMillan	-	-	-	-	-	-	-	-
Ken Edwards	-	-	-	-	-	-	-	-
David Galbally	-	-	-	-	-	-	-	-
Andrew Bonwick	-	-	-	450,000	450,000	150,000	150,000	300,000
Ray Herbert	-	-	-	-	-	-	-	-
Michael Kirwan #	2,900,000	-	-	2,933,333	5,833,333	5,833,333	5,833,333	-
Francis Galbally #	2,900,000	-	-	2,933,333	5,833,333	5,833,333	5,833,333	-
Ronald Lunt	2,900,000	-	-	2,933,334	5,833,334	5,833,334	5,833,334	-
	<b>8,700,000</b>	<b>-</b>	<b>-</b>	<b>9,250,000</b>	<b>17,950,000</b>	<b>17,650,000</b>	<b>17,650,000</b>	<b>300,000</b>

# Michael Kirwan and Francis Galbally resigned as Directors on 30 November 2007.

\* Options acquired during the period are on an arms length basis as disclosed in the prospectus.

# Remuneration Report (continued)

## (c) Number of options held by Key Management Personnel (consolidated) – (continued):

### Executives

2009	Balance 01/07/08	Granted as remuneration	Options exercised	Net change other	Balance 30/06/09	Total vested 30/06/09	Total Exercisable 30/06/09	Total Unexercisable 30/06/09
Michael Kirby +	-	-	-	-	-	-	-	-
Sophie Karzis ^	-	-	-	-	-	-	-	-
Stephen Munday ^	-	1,500,000	-	(1,500,000)	-	-	-	-
	-	1,500,000	-	(1,500,000)	-	-	-	-

+ Michael Kirby was appointed Chief Financial Officer to the Green Invest Group on 22 April 2009. 2008 comparative information is not applicable.

^ Sophie Karzis resigned as Company Secretary 1 April 2009 and Stephen Munday as Chief Financial Officer 30 April 2009. Stephen Munday's options expired on his resignation.

No options were held by executives during the 2008 financial year.

## (d) Number of shares held by Key Management Personnel:

### Directors

2009	Balance 01/07/08	Received as Remuneration	Options Exercised	Net change Other	Balance 30/06/09
Ron Lunt	6,514,444	-	-	-	6,514,444
Peter McCoy +	-	-	-	-	-
Ken Edwards	3,200,000	-	-	-	3,200,000
Ian McMillan *	400,000	-	-	(400,000)	-
David Galbally *	30,000	-	-	(30,000)	-
Adrian Pratt +	-	-	-	-	-
Andrew Bonwick	-	-	-	-	-
Ray Herbert *	200,000	-	-	(200,000)	-
Richard Jarmal David +	-	-	-	-	-
<b>Total</b>	<b>10,344,444</b>	<b>-</b>	<b>-</b>	<b>(630,000)</b>	<b>9,714,444</b>

\* These directors resigned during the year and their shares were converted to unrelated party.

+ Peter McCoy, Adrian Pratt and Richard Jarmal David were appointed Directors during the 2009 financial year, 2008 comparatives are not applicable.

2008	Balance 01/07/07	Received as Remuneration	Options Exercised	Net change Other*	Balance 30/06/08
Ian McMillan	-	400,000	-	-	400,000
Ken Edwards	-	-	-	3,200,000	3,200,000
David Galbally	-	-	-	30,000	30,000
Andrew Bonwick	-	-	-	-	-
Ray Herbert	-	-	-	200,000	200,000
Michael Kirwan #	2,900,000	-	-	(2,900,000)	-
Francis Galbally #	2,900,000	-	-	(2,900,000)	-
Ronald Lunt	2,900,000	-	-	3,614,444	6,514,444
<b>Total</b>	<b>8,700,000</b>	<b>400,000</b>	<b>-</b>	<b>1,244,444</b>	<b>10,344,444</b>

# Michael Kirwan and Francis Galbally resigned as Directors on 30 November 2007. Their shares have been converted to unrelated party.

\* Shares were acquired by Directors as a result of acquisitions of subsidiaries; David Galbally purchased shares on market in his own right.

# Remuneration Report (continued)

## (d) Number of shares held by Key Management Personnel – (continued):

### Executives

2009	Balance 1/07/08	Received as Remuneration	Options Exercised	Net change Other	Balance 30/06/09
Michael Kirby +	-	-	-	-	-
Sophie Karzis #	2,000	-	-	(2,000)	-
Stephen Munday	-	-	-	-	-
<b>Total</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>(2,000)</b>	<b>-</b>

+ Michael Kirby was appointed Chief Financial Officer to the Green Invest Group on 22 April 2009. 2008 comparative information is not applicable.

# Sophie Karzis resigned as Company Secretary on 1 April 2009. These shares have been converted to unrelated party.

2008	Balance 1/07/07	Received as Remuneration	Options Exercised	Net change Other	Balance 30/06/08
Sophie Karzis	-	-	-	2,000	2,000
Stephen Munday	-	-	-	-	-
Peter Hoefler ^	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,000</b>	<b>2,000</b>

^ Peter Hoefler ceased being an executive of the company during the 2008 financial year.

## (e) Options granted as remuneration that have been exercised or lapsed during the financial year

### Directors

2009	Balance 01/07/08	Value granted	Value Exercised	Value lapsed *	Balance 30/06/09
Ron Lunt	-	-	-	-	-
Peter McCoy	-	-	-	-	-
Ken Edwards	-	45,000	-	-	45,000
Ian McMillan	-	157,500	-	(157,500)	-
David Galbally	-	135,000	-	(135,000)	-
Adrian Pratt	-	13,500	-	(13,500)	-
Andrew Bonwick	-	-	-	-	-
Ray Herbert	-	-	-	-	-
Richard Jarmal David	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>351,000</b>	<b>-</b>	<b>(306,000)</b>	<b>45,000</b>

\* The value of options lapsed on termination.

# Remuneration Report (continued)

(e) Options granted as remuneration that have been exercised or lapsed during the financial year

## Executives

2009	Balance 01/07/08	Value granted	Value Exercised	Value lapsed *	Balance 30/06/09
Michael Kirby	-	-	-	-	-
Sophie Karzis	-	-	-	-	-
Stephen Munday	-	135,000	-	(135,000)	-
<b>Total</b>	-	<b>135,000</b>	-	<b>(135,000)</b>	-

\* The value of options lapsed on termination.

No options were granted as remuneration to Directors or Executives during the 2008 financial year.

## Valuation of options issued to Directors' and Executives'

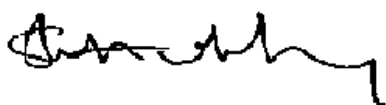
Options issued during the financial year are valued using the Black-Scholes pricing model using the following inputs:

	<b>2009</b>
Weighted average fair value of options granted during the year (at grant date)	\$0.09 cents
Weighted average exercise price	\$0.60 cents
Volume weighted average share price during the financial year	\$0.29 cents
Weighted average expected share volatility	60%
Weighted average risk free interest rate	3.65%
Expected dividends	0%
Average option life	5 years

The volatility is determined by using Green Invest Limited's historical volatilities on a 12 month basis as well as considering volatilities of other comparable listed companies prior to grant date.

Signed in accordance with a resolution of Directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors



Mr. Peter McCoy  
Chairman  
30 September 2009


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**AUDITOR'S INDEPENDENCE DECLARATION**

To the Directors of Green Invest Limited

In relation to the independent audit for the year ended 30 June 2009, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the Corporations Act 2001
- (ii) No contraventions of any applicable code of professional conduct



**S D WHITCHURCH**  
Partner  
30 September 2009



**PITCHER PARTNERS**  
Melbourne

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***green invest***

Investing in Sustainability

**GREEN INVEST LIMITED  
AND CONTROLLED ENTITIES**

**FINANCIAL REPORT  
FOR THE YEAR ENDING  
30 JUNE 2009**

GREEN INVEST LIMITED AND CONTROLLED ENTITIES  
ABN 49 119 031 462

CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Consolidated Entity		Parent Entity	
		2009 \$	2008 \$	2009 \$	2008 \$
Revenue	4	7,304,783	3,158,762	23,464	25,047
		<u>7,304,783</u>	<u>3,158,762</u>	<u>23,464</u>	<u>25,047</u>
Cost of services	5	(3,850,533)	(1,670,970)	-	-
Employee benefits expense	5	(3,155,673)	(1,345,566)	(486,642)	(313,034)
Professional fees		(488,122)	(474,153)	(320,312)	(378,861)
Depreciation expenses	5	(105,066)	(33,067)	(16,036)	(10,182)
Occupancy expenses		(215,328)	(80,086)	(26,543)	(10,000)
Administrative expenses		(731,074)	(577,885)	(197,124)	(305,394)
Travel expenses		(114,003)	(57,928)	(18,719)	(27,767)
Consulting expenses		(443,939)	(183,153)	(155,847)	(25,364)
Impairment losses	5	(828,908)	-	(2,000,533)	-
Other expenses		(211,416)	(245,237)	(102,236)	(49,087)
		<u>(10,143,792)</u>	<u>(4,677,045)</u>	<u>(3,323,992)</u>	<u>(1,119,889)</u>
Finance costs	5	(131,551)	(3,199)	(130,668)	(1,158)
<b>Loss before income tax</b>		<u>(2,970,560)</u>	<u>(1,521,482)</u>	<u>(3,431,196)</u>	<u>(1,095,800)</u>
Income tax expense	6	-	(34,954)	-	-
<b>Loss from continuing operations</b>		<u>(2,970,560)</u>	<u>(1,556,436)</u>	<u>(3,431,196)</u>	<u>(1,095,800)</u>
<b>Loss for the year</b>		<u>(2,970,560)</u>	<u>(1,556,436)</u>	<u>(3,431,196)</u>	<u>(1,095,800)</u>
<b>Loss attributable to the members of the Green Invest Limited</b>		<u>(2,970,560)</u>	<u>(1,556,436)</u>	<u>(3,431,196)</u>	<u>(1,095,800)</u>
Basic earnings per share	23	(\$0.09)	(\$0.08)		
Diluted earnings per share	23	(\$0.09)	(\$0.08)		

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GREEN INVEST LIMITED AND CONTROLLED ENTITIES  
ABN 49 119 031 462

CONSOLIDATED BALANCE SHEET  
AS AT 30 JUNE 2009

	Notes	Consolidated Entity		Parent Entity	
		2009 \$	2008 \$	2009 \$	2008 \$
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	7	471,595	1,581,384	32,917	650,143
Trade and other receivables	8	605,067	1,629,910	531,587	302,089
Work in progress	9	-	109,838	-	-
Other	10	60,804	24,581	54,710	13,638
<b>TOTAL CURRENT ASSETS</b>		<b>1,137,464</b>	<b>3,345,713</b>	<b>619,214</b>	<b>965,870</b>
<b>NON-CURRENT ASSETS</b>					
Other financial assets	11	-	-	4,155,638	5,700,000
Plant and equipment	12	265,486	331,391	35,547	17,852
Intangible assets	13	4,573,798	5,142,706	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,839,284</b>	<b>5,474,097</b>	<b>4,191,185</b>	<b>5,717,852</b>
<b>TOTAL ASSETS</b>		<b>5,976,748</b>	<b>8,819,810</b>	<b>4,810,399</b>	<b>6,683,722</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	14	1,304,552	2,531,531	281,257	441,507
Current tax liabilities	6	-	185,840	-	-
Provisions	15	52,430	51,715	1,174	-
Interest Bearing liabilities	16	731,193	-	731,193	-
Other	17	82,300	265,683	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,170,475</b>	<b>3,034,769</b>	<b>1,013,624</b>	<b>441,507</b>
<b>NON-CURRENT LIABILITIES</b>					
Provisions	15	9,498	3,462	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>9,498</b>	<b>3,462</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>2,179,973</b>	<b>3,038,231</b>	<b>1,013,624</b>	<b>441,507</b>
<b>NET ASSETS</b>		<b>3,796,775</b>	<b>5,781,579</b>	<b>3,796,775</b>	<b>6,242,215</b>
<b>EQUITY</b>					
Contributed equity	18	8,335,899	7,365,439	8,335,899	7,365,439
Reserve	19	15,296	-	15,296	-
Accumulated losses	20	(4,554,420)	(1,583,860)	(4,554,420)	(1,123,224)
<b>TOTAL EQUITY</b>		<b>3,796,775</b>	<b>5,781,579</b>	<b>3,796,775</b>	<b>6,242,215</b>

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GREEN INVEST LIMITED AND CONTROLLED ENTITIES  
ABN 49 119 031 462

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

	Notes	Consolidated Entity		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>TOTAL EQUITY AT THE BEGINNING OF THE FINANCIAL YEAR</b>		5,781,579	59,576	6,242,215	59,576
Employee share allocation	18(b)	260,000	-	260,000	-
Employee share options		15,296	-	15,296	-
Loss for the year		(2,970,560)	(1,556,436)	(3,431,196)	(1,095,800)
<b>Total recognised expense for the period</b>		<b>(2,695,264)</b>	<b>(1,556,436)</b>	<b>(3,155,900)</b>	<b>(1,095,800)</b>
Attributable to:					
Members of the parent		(2,695,264)	(1,556,436)	(3,155,900)	(1,095,800)
		(2,695,264)	(1,556,436)	(3,155,900)	(1,095,800)
<b>Transactions with equity holders in their capacity as equity holders:</b>					
Contributions	18(b)	740,000	8,719,413	740,000	8,719,413
Capital raising costs	18(b)	(29,540)	(1,440,974)	(29,540)	(1,440,974)
		710,460	7,278,439	710,460	7,278,439
<b>TOTAL EQUITY AT THE END OF THE YEAR</b>		<b>3,796,775</b>	<b>5,781,579</b>	<b>3,796,775</b>	<b>6,242,215</b>

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GREEN INVEST LIMITED AND CONTROLLED ENTITIES  
ABN 49 119 031 462

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Consolidated Entity		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Receipts from customers		9,124,713	2,750,402	73,407	-
Payments to suppliers and employees		(11,028,275)	(3,579,436)	(1,497,430)	(960,882)
Interest received		17,759	10,269	7,718	2,290
Borrowing costs		(131,551)	(3,199)	(130,668)	(1,158)
Income tax paid		(185,840)	(103,687)	-	-
<b>Net cash used in operating activities</b>	21(a)	<b>(2,203,194)</b>	<b>(925,651)</b>	<b>(1,546,973)</b>	<b>(959,750)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Payments for plant and equipment		(88,248)	(151,000)	(35,249)	(2,561)
Net cash inflow from/ (Outflow to) investments		(20,000)	45,493	(20,000)	45,493
<b>Net cash (used in)/provided by investing activities</b>		<b>(108,248)</b>	<b>(105,507)</b>	<b>(55,249)</b>	<b>42,932</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from share issue		500,000	3,819,413	500,000	3,819,413
Capital raising costs		(29,540)	(1,240,974)	(29,540)	(1,240,974)
Proceeds from borrowings		731,193	-	731,193	-
Advances to related parties		-	-	(216,657)	(1,045,581)
<b>Net cash provided by financing activities</b>		<b>1,201,653</b>	<b>2,578,439</b>	<b>984,996</b>	<b>1,532,858</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(1,109,789)</b>	<b>1,547,281</b>	<b>(617,226)</b>	<b>616,040</b>
Cash and cash equivalents at beginning of year		1,581,384	34,103	650,143	34,103
<b>Cash and cash equivalents at end of the year</b>	21(b)	<b>471,595</b>	<b>1,581,384</b>	<b>32,917</b>	<b>650,143</b>

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NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2009

**NOTE 1: BASIS OF PREPARATION**

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

The financial report covers Green Invest Limited as an individual parent entity and Green Invest Limited and controlled entities as a consolidated entity. Green Invest Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report was authorised for issue by the directors as at the date of the directors' report.

The following is a summary of material accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Basis of preparation of the financial report**

*Compliance with IFRS*

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with Australian equivalent International Financial Reporting Standards ensures compliance with International Financial Reporting Standards (IFRSs).

*Historical Cost Convention*

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes on assets as described in the accounting policies.

**(b) Principles of Consolidation**

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and of all entities, which Green Invest Limited controlled from time to time during the year and at balance date. Details of the controlled entities are contained in Note 25(a).

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation.

**(c) Revenue Recognition**

Revenue from the sale of goods 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.

Revenue from the provision of services to customers is recognised upon delivery of the service to the customer. Deferred income is recognized for the unearned portion.

Revenue from membership fees are received in advance and brought to account over the period the membership services are provided. Deferred income is recognized for the unearned portion.

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

Other revenue is recognised when the right to receive the revenue has been established.

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

**(d) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and at banks maturing within 2 months.

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NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2009

NOTE 1: BASIS OF PREPARATION (continued)

(e) Work in progress

Work in progress is valued at cost, plus profit recognised to date less any provision for anticipated future losses. Cost includes both variable and fixed costs relating to specific contracts, and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis.

(f) Plant and equipment

*Cost*

All classes of plant and equipment are stated at cost less depreciation and any accumulated impairment losses.

*Depreciation*

The depreciable amounts of all other fixed assets are depreciated on a straight-line basis over their estimated useful lives commencing from the time the asset is held ready for use.

The useful lives for each class of assets are:

	2009	2008
Office equipment:	4- 5 years	4- 5 years
Furniture, fixtures and fittings:	5 years	5 years
Software:	3 years	-

(g) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

*Operating Leases*

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

(h) Intangibles

*Goodwill*

Goodwill and Goodwill on consolidation represents the excess of the cost of an acquisition over the fair value of the Group's share of net identifiable assets of the acquired entities at the date of acquisition.

Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

(i) Impairment

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

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NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2009

NOTE 1: BASIS OF PREPARATION (continued)

(j) Taxes

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

A balance sheet approach is adopted under which deferred tax assets and liabilities are recognized for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax asset or liability is recognised in relation to temporary differences arising from the initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for temporary differences and unused tax losses only when it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Tax Consolidation

On 4 September 2008 Green Invest Limited relinquished its PDF status and accordingly now intend on forming a tax consolidated group with the entities it controls. The intention is that the tax consolidated group will be formed from lodgement of the 2009 income tax return. The information disclosed in note 6 has been prepared on a tax consolidated basis and prior year balances have been restated from 15% to 30% where applicable.

(k) Employee Benefits

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 measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

*Share-based payments*

The group operates an employee share scheme. The fair value of the shares is ascertained by reference to the market bid price at date of issue.

The market value of shares issued to employees for no cash consideration under the employee share scheme is recognised as an expense when the employees become entitled to the shares. Options are expensed over the vesting period by reference to the fairvalue of the options at grant date. The fair value of options at grant date is determined using a Black-Scholes option pricing model.

(l) Financial Instruments

*Classification*

The group classifies its financial instruments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial instruments at initial recognition.

*Financial assets*

Non-listed investment in controlled entities for which fair value cannot be reliably measured, are carried at cost and tested for impairment. Non-listed investments are recognised at cost less impairment.

*Financial Liabilities*

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or other amounts due to director-related entities.

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the consolidated entity. Trade liabilities are normally settled in 30 days from month end.

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2009

(m) Foreign Currencies

*Functional and presentation currency*

The financial statements of each group entity are measured using its functional currency, which is the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, as this is the parent entity's functional and presentation currency.

*Transactions and Balances*

Transactions in foreign currencies of entities within the consolidated entity are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

(n) Going Concern

The Directors have prepared the financial report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement liabilities in the ordinary course of business.

The economic entity incurred a loss for the year ended 30 June 2009 of \$2,970,560 (2008: Loss \$1,556,436) and as at that date had a deficiency of working capital of \$1,033,011 (2008: Surplus \$310,944) and further a net tangible asset deficiency of \$777,023 (2008: Surplus \$638,873).

The Loss for the year includes non cash impairment losses of \$828,908 (2008: nil) which in the main has resulted in negative cashflows from operations for the year of \$2,203,194 (2008: Deficiency \$925,651).

The following initiatives have been undertaken by the company subsequent to year end.

The company has entered into a cost reduction program which has seen approximately \$1 million of cost incurred during the year being removed from the business.

At the time of drafting this report *Green Plumbers®* and Sustainable Footprint had targeted a number of promising commercial projects. Some of the targeted projects are:

- a) Western Port Greenhouse Alliance ('WPGA') and representatives of its member councils have established the Eco-Living Community Challenge, a residential household emissions reduction program. *Green Plumbers®* have tendered to provide facilitation services to WPGA of eligible green technologies.
- b) The Western Alliance for Greenhouse Action ('WAGA') representatives of its member councils aim to alleviate the pressures of climate change in Melbourne's West by setting and achieving climate change mitigation goals. *Green Plumbers®*, with their sister company Sustainable Footprint and Alliance Partner 'Environment Shop' have responded to a Registration of Interest (ROI) to facilitate the roll out of a bulk-buy program for a wide range of retrofit services and technologies.
- c) PROJECT BLACK LEOPARD: The "greening" of buildings and infrastructure for a major Australasian financial institution.

A number of significant trade creditors have entered into repayment arrangements with the economic entity.

The holders of the convertible notes have agreed to extend the due date for repayment of these notes up to 30 June 2010 and 31 December 2010.

The Directors have commenced the process of raising additional funding both debt and equity, however at the date of this report had not reached agreement.

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2009

NOTE 1: BASIS OF PREPARATION (continued)

(n) Going Concern (continued)

The Executive Director, Mr Ron Lunt, has provided a letter of financial support to the company (should it be required) over the next 12 months committing funds up to \$500,000.

The conditions identified above indicate the existence of inherent uncertainties which cast doubt over the economic entity's ability to continue as a going concern if favourable outcomes are not achieved.

The financial statements do not include any adjustments relating to the recoverability or classification of recorded assets amounts nor to the amounts of classification of liabilities that might be necessary should the economic entity be unable to continue as a going concern.

If the going concern basis of accounting is found to no longer be appropriate, the recoverable amounts of the assets shown in the Balance Sheet are likely to be significantly less than the amounts disclosed and the extent of the liabilities may differ significantly from those reflected in the Balance Sheet.

(o) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(p) New Accounting Standards and Interpretations

A number of new accounting standards and interpretations have been issued at the reporting date but are not yet effective. The directors have not yet assessed the impact of these standards and interpretations.

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## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The group makes certain estimates and assumptions concerning the future, which, by definition will seldom represent actual results. The estimates and assumptions that have a significant inherent risk in respect of estimates based on future events, which would have a material impact on the assets and liabilities in the next financial year, are discussed below:

(a) Estimated impairment of goodwill

Goodwill is allocated to cash generating units (CGU's) according to applicable business operations.

Each CGU goodwill amount has been tested for impairment in accordance with AASB 136.

For all the three CGU's the testing has been based on projected cash flows approved by management covering five years. Management has projected expected cash flows based on each CGU's strategic plans and expected resultant trading and cash flow. The discounting applied to each CGU's five year cash flow was based on the groups weighted average cost of capital which has been calculated as 13.21%.

#### Next Generation Energy Solutions Pty Ltd

Next Generation Energy Solutions Pty Ltd cash flows have been projected based on the increased business expected to result from the Federal Governments Carbon Pollution Reduction Scheme CPRS implementation in relation to reporting of GHG emission and trade/surrender of carbon deficits by mid 2011. The projections for carbon offsets were based on the Australian Government's White Paper published 15th December 2008. The projections are below growth expectations published by the Clean Energy Council in relation to the environmental commodities market growth. The projections also include growth in the international trading of Kyoto Protocol approved carbon off-set units and the expansion of the carbon derivatives market as the carbon trading market expands. The total Projected revenue increases are 3% for 2010 and 2011 and then increases to 148% for the 2012 financial year and 3% thereafter. The company also expects to generate revenue and growth from other sources including International Brokerage, Conferences, Memberships and other Derivative markets.

Whilst the Australian Government has committed to establishing an Australian emissions trading scheme uncertainty still surrounds the timing of the scheme which will affect the environmental commodities market, growth projections and future outlook. The Green Energy market is still in its formative stages and is continuously evolving. The company is unable to predict the impact (if any) the current global financial crisis may have on the timing or extent of emissions trading and the associated impact on future cashflows.

#### Green Plumbers Global Corporation Pty Ltd

Green Plumbers Global Corporation Pty Ltd cash flows have been projected on increases in revenues from known projects and government grants based project work. The largest of these being the National Solar for Schools Federal Government program which replaced the Green School Voucher and Commonwealth Water Grants programs. Projected revenues also include a growth in the GreenPlumber® program. These projections see revenue growth averaging 10% per annum over the five years.

#### Sustainable Footprint Pty Ltd

Sustainable Footprint Pty Ltd cash flows have been projected based on the increased business expected to result from the Federal Governments Carbon Pollution Reduction Scheme CPRS implementation in relation to reporting of GHG emission by June 2009. The growth in the business for the next twelve months is based on known opportunities and an extrapolation of current growth rate in this first year of operations. Revenue growth in future years has been limited to 5% increases

(b) Income taxes

Income tax benefits are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and that it will comply with the conditions of deductibility imposed by law.

(c) Share based payments

Calculation of share based payments requires estimation of many factors, including the timing of the exercise of the underlying equity instrument. The estimates are based on historical trends.

(d) Employee benefits

Calculation of long term employment benefits requires estimation of the retention of staff, future remuneration levels and timing of the settlement of the benefits. The estimates are based on historical trends.

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3: FINANCIAL RISK MANAGEMENT**

The board of directors has overall responsibility for identifying and managing operational and financial risks. The management of these risks will support the achievement of the Group's financial and business targets.

The Group's financial instruments consist mainly of deposits with banks, liquidity risk and credit risk. The Group has no material exposure to currency risk or equity price risk.

**Interest rate risk**

The Group's exposure to market interest relates primarily to the Group's cash balances and interest payable on convertible notes. The balance of the cash is disclosed at note 16 and 21(b).

Cash on deposit attracts a variable interest rate of 3.70% (2008 3.06%) at year end.

Convertible notes mature at various dates and attract 12% interest. Interest is accumulated with the principal amount quarterly in arrears.

**Credit risk**

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount net of any impairment provisions on these assets, as disclosed in the balance sheet and notes to the financial statements.

The Group does not have any material credit risk exposure to any single receivable or Group of receivables under financial instruments entered into by the Group.

**Liquidity risk**

The Group manages liquidity risk by forecasting and monitoring cash flows on a continuing basis taking into account past performance. Historically the Group has financed the company from capital raisings and convertible note loans. The Group will continue to raise money from capital raisings in the future to assist with current working capital requirements and growth plans

**Maturity analysis**

The table below represents the undiscounted contractual settlement terms for financial instruments and managements expectation for settlement of undiscounted maturities.

	< 6 Months	6 – 12 months	Total contractual cash flows	Carrying amount
Year ended 30 June 2009	\$	\$	\$	\$
Cash and cash equivalents	471,595	-	471,595	471,595
Trade and other receivables	605,067	-	605,067	605,067
Trade and other payables	(1,304,552)	-	(1,304,552)	(1,304,552)
Interest Bearing liabilities	(496,503)	(234,690)	(731,193)	(731,193)
<b>Net maturities</b>	<b>(724,393)</b>	<b>(234,690)</b>	<b>(959,083)</b>	<b>(959,083)</b>

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GREEN INVEST LIMITED AND CONTROLLED ENTITIES  
ABN 49 119 031 462

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

(a) Interest Rate Risk

The consolidated entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Fixed interest rate maturing in:													
	Floating interest rate		1 year or less		Over 1 to 5 years		More than 5 years		Non-interest bearing		Total carrying amount as per Balance Sheet		Weighted average effective interest rate	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
<i>(i) Financial assets</i>														
Cash	454,091	1,564,853	17,504	16,531	-	-	-	-	-	-	471,595	1,581,384	3.70	3.06
Trade and other receivables	-	-	-	-	-	-	-	-	605,067	1,629,910	605,067	1,629,910	-	-
<b>Total financial assets</b>	<b>454,091</b>	<b>1,564,853</b>	<b>17,504</b>	<b>16,531</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>605,067</b>	<b>1,629,910</b>	<b>1,076,662</b>	<b>3,211,294</b>	<b>3.70</b>	<b>3.06</b>
<i>(ii) Financial liabilities</i>														
Trade and other creditors	-	-	-	-	-	-	-	-	1,304,552	2,531,531	1,304,552	2,531,531	-	-
Interest bearing liabilities	-	-	731,913	-	-	-	-	-	-	-	731,913	-	12.00	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,304,552</b>	<b>2,531,531</b>	<b>2,035,745</b>	<b>2,531,531</b>	<b>-</b>	<b>-</b>

(b) Fair values

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in the Balance Sheet and Notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

	Notes	Consolidated Entity		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>NOTE 4: REVENUE</b>					
<b>Revenues from continuing operations</b>					
Revenue from services		7,233,835	3,099,872	-	-
		<u>7,233,835</u>	<u>3,099,872</u>	-	-
<i>Other Income</i>					
Interest		17,759	10,269	7,718	2,290
Sundry revenue		53,189	48,621	15,746	22,757
		<u>70,948</u>	<u>58,890</u>	<u>23,464</u>	<u>25,047</u>
		<u>7,304,783</u>	<u>3,158,762</u>	<u>23,464</u>	<u>25,047</u>
<b>NOTE 5: LOSS FROM CONTINUING OPERATIONS</b>					
Loss from continuing operations before income tax has been determined after the following specific expenses:					
Cost of services		<u>3,850,533</u>	<u>1,670,970</u>	-	-
Employee benefits expense					
Share-based payments		275,296	4,760	15,296	4,760
Other employee benefits		<u>2,880,377</u>	<u>1,340,806</u>	<u>471,346</u>	<u>308,274</u>
Employee benefits expense		<u>3,155,673</u>	<u>1,345,566</u>	<u>486,642</u>	<u>313,034</u>
Depreciation of non-current assets					
Office equipment	12(a)	88,112	29,206	14,631	10,182
Furniture, fixtures and fittings	12(a)	<u>16,954</u>	<u>3,861</u>	<u>1,045</u>	-
		<u>105,066</u>	<u>33,067</u>	<u>16,036</u>	<u>10,182</u>
Total depreciation of non-current assets		<u>105,066</u>	<u>33,067</u>	<u>16,036</u>	<u>10,182</u>
Finance costs expensed					
Interest and charges		<u>131,551</u>	<u>3,199</u>	<u>130,668</u>	<u>1,158</u>
Total finance costs expensed		<u>131,551</u>	<u>3,199</u>	<u>130,668</u>	<u>1,158</u>
Operating lease rentals		204,543	77,504	26,088	10,000
Movement in Provision for Impairment and Trade Receivables		(49,002)	70,548	-	-
<b>Impairment Losses</b>					
Goodwill	13(a)	828,908	-	-	-
Unlisted Investment	11(a)	-	-	2,000,533	-
		<u>828,908</u>	<u>-</u>	<u>2,000,533</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
Note	\$	\$	\$	\$
<b>NOTE 6: INCOME TAX</b>				
<b>(a) The components of tax expense:</b>				
Current tax	-	34,954	-	-
Total Income tax expense	-	34,954	-	-
<b>(b) The prima facie tax, using tax rates applicable in the country of operation, on profit differs from the income tax provided in the financial statements as follows:</b>				
Loss before tax from continuing operations	(2,970,560)	(1,521,482)	(3,431,196)	(1,095,800)
Total loss before income tax	(2,970,560)	(1,521,482)	(3,431,196)	(1,095,800)
At the statutory income tax rate of 30% (2008: 30%)	(891,168)	(454,865)	(1,029,359)	(328,740)
Tax effect of amounts which are not deductible in calculating taxable income				
Adjustment for pre-acquisition profits	-	(47,721)	-	-
Entertainment	19,212	21,134	1,274	3,506
Share based payments	82,589	-	4,589	-
Impairment losses recognised	248,672	-	600,160	-
Other deductible/non-deductible expenses	(617)	30,000	(617)	-
Deferred liabilities not brought to account	(90,923)	(6,150)	(79,528)	(66,474)
Tax losses not brought to account	632,235	483,556)	503,481	390,708
	891,168	480,819	1,029,359	328,740
Income tax expense	-	34,954	-	-
<b>(c) Current tax liability</b>				
Balance at the beginning of the year	185,840	-	-	-
Tax liability acquired	-	254,573	-	-
Income tax expense	-	34,954	-	-
Tax payments	(185,840)	(103,687)	-	-
Balance at the end of the year	-	185,840	-	-
<b>(d) Deferred tax assets not brought to account</b>				
The benefits of deferred tax assets not brought to account will only be realised if the conditions met in Note 1(j) occur.				
Deferred tax asset - Timing differences	340,713	431,636	289,376	368,904
Deferred tax asset - Unrecognised tax losses	1,207,923	575,688	900,329	396,848
	1,548,636	1,007,324	1,189,705	765,752

Green Invest Limited relinquished its PDF status on 4 September 2008, prior year tax balances have been restated at the rate of 30%. The consolidated group intends on forming a tax consolidated group prior to lodgement of the 2009 income tax return. The above tax calculation has been prepared on a tax consolidated basis. The availability of tax losses will be subject to normal income tax rules.

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NOTES TO THE FINANCIAL STATEMENTS

	Notes	Consolidated Entity		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>NOTE 6: INCOME TAX (continued)</b>					
<b>(e) Franking credit balance</b>					
Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and after deducting franking credits to be used in payment of proposed dividends:					
		306,490	120,650	-	-
<b>NOTE 7: CASH AND CASH EQUIVALENTS</b>					
Cash at bank		454,091	1,564,853	32,917	650,143
Cash on deposit		17,504	16,531	-	-
		<u>471,595</u>	<u>1,581,384</u>	<u>32,917</u>	<u>650,143</u>
<b>NOTE 8: TRADE AND OTHER RECEIVABLES</b>					
<b>CURRENT</b>					
Trade receivables		594,475	1,602,645	-	-
Provision for Impairment		(21,546)	(70,548)	-	-
		<u>572,929</u>	<u>1,532,097</u>	<u>-</u>	<u>-</u>
Other debtors (Including GST Credits)		28,544	95,765	10,942	65,524
Related party receivables					
- Controlled entities	25	-	-	517,051	234,517
- Directors	25	3,594	2,048	3,594	2,048
		<u>605,067</u>	<u>1,629,910</u>	<u>531,587</u>	<u>302,089</u>
Trade receivables ageing analysis at 30 June is: Trade receivables are non-interest bearing and generally on 30 to 60 day terms. \$21,546 (2008: \$70,548) of the balance is considered impaired. The ageing analysis is as follows:					
		<b>Gross 2009 \$</b>	<b>Impairment 2009 \$</b>	<b>Gross 2008 \$</b>	<b>Impairment 2008 \$</b>
Not past due		404,461	-	989,224	-
Past due 31-90 days		122,630	-	484,932	-
Pas due more than 91 days		67,384	(21,546)	128,489	(70,548)
		<u>594,475</u>	<u>(21,546)</u>	<u>1,602,645</u>	<u>(70,548)</u>
<b>NOTE 9: WORK IN PROGRESS</b>					
<b>CURRENT</b>					
Work in progress		-	109,838	-	-
<b>NOTE 10: OTHER CURRENT ASSETS</b>					
Prepayments		60,804	24,581	54,710	13,638

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NOTES TO THE FINANCIAL STATEMENTS

	Notes	Consolidated Entity		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>NOTE 11: OTHER FINANCIAL ASSETS</b>					
NON-CURRENT					
<i>Investments at cost comprise</i>					
Unlisted shares					
- Controlled entities		-	-	4,155,638	5,700,000
(a) Reconciliation of the carrying amount of beginning and end of year.					
Opening Balance		-	-	5,700,000	-
Additions		-	-	260,000	5,700,000
Conversion of debt to equity		-	-	196,171	-
Impairment Charge		-	-	(2,000,533)	-
Closing Book Value		-	-	4,155,638	5,700,000
<b>NOTE 12: PLANT AND EQUIPMENT</b>					
Office equipment					
At cost		350,263	353,238	56,498	29,594
Accumulated depreciation		(132,476)	(71,974)	(26,373)	(11,742)
12(a)		217,787	281,264	30,125	17,852
Furniture, fixtures and fittings					
At cost		33,258	55,841	6,827	-
Accumulated depreciation		(8,643)	(5,714)	(1,405)	-
12(a)		24,615	50,127	5,422	-
Software					
At cost		23,084	-	-	-
Accumulated depreciation		-	-	-	-
12(a)		23,084	-	-	-
Total plant and equipment		265,486	331,391	35,547	17,852

NOTES TO THE FINANCIAL STATEMENTS

	Notes	Consolidated	Entity	Parent	Entity
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>NOTE: 12 PLANT AND EQUIPMENT (continued)</b>					
<b>(a) Reconciliation</b>					
Reconciliation of carrying amount of Plant and Equipment at the beginning and end of the year.					
<b>Office equipment</b>					
Carrying amount at 1 July 2008		281,264	25,473	17,852	25,473
Additions		53,598	134,542	28,422	2,561
Additions through acquisition of entities		-	174,227	-	-
Disposals		(1,518)	(23,772)	(1,518)	-
Write-offs		(27,545)	-	-	-
Depreciation expense		(88,112)	(29,206)	(14,631)	(10,182)
Carrying amount at 30 June 2009		217,787	281,264	30,125	17,852
<b>Furniture, fixtures and fittings</b>					
Carrying amount at 1 July 2008		50,127	-	-	-
Additions		11,566	16,458	6,827	-
Additions through acquisition of entities / operations		-	37,530	-	-
Disposals		-	-	-	-
Write-offs		(20,124)	-	-	-
Depreciation expense		(16,954)	(3,861)	(1,405)	-
Carrying amount at 30 June 2009		24,615	50,127	5,422	-
<b>Software</b>					
Carrying amount at 1 July 2008		-	-	-	-
Additions		23,084	-	-	-
Depreciation expense		-	-	-	-
Carrying amount at 30 June 2009		23,084	-	-	-
Total plant and equipment		265,486	331,391	35,547	17,852

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NOTES TO THE FINANCIAL STATEMENTS

	Notes	Consolidated Entity		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>NOTE 13: INTANGIBLES</b>					
Goodwill - at cost		4,573,798	5,142,706	-	-
Net carrying amount	13(a)	4,573,798	5,142,706	-	-
<b>(a) Reconciliation</b>					
Reconciliations of the carrying amounts of goodwill at the beginning and end of the current financial year.					
Goodwill – Sustainable Footprint Pty Ltd					
Opening net book amount		-	-	-	-
Additions	26	260,000	-	-	-
Impairment charge		-	-	-	-
Closing net book value		260,000	-	-	-
Goodwill – Next Generation Energy Solutions Pty Ltd					
Opening net book amount		4,200,000	-	-	-
Additions		-	4,200,000	-	-
Impairment charge		(321,930)	-	-	-
Closing net book value		3,878,070	4,200,000	-	-
Goodwill – Green Plumbers					
Opening net book amount		942,706	-	-	-
Additions		-	942,706	-	-
Impairment charge		(506,978)	-	-	-
Closing net book value		435,728	942,706	-	-
Goodwill – Total					
Opening net book amount		5,142,706	-	-	-
Additions		-	5,142,706	-	-
Impairment charge		(828,908)	-	-	-
Closing net book value		4,573,798	5,142,706	-	-

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NOTES TO THE FINANCIAL STATEMENTS

	Notes	Consolidated Entity		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>NOTE 14 TRADE AND OTHER PAYABLES</b>					
<b>CURRENT:</b>					
Trade payables		299,375	1,251,762	132,992	274,296
Other payables		1,005,177	1,279,769	148,265	167,211
		<u>1,304,552</u>	<u>2,531,531</u>	<u>281,257</u>	<u>441,507</u>
<b>NOTE 15: PROVISIONS</b>					
<b>CURRENT</b>					
Employee benefits	15(a)	52,430	51,715	1,174	-
<b>NON-CURRENT</b>					
Employee benefits	15(a)	9,498	3,462	-	-
(a) Aggregate employee benefits liability		<u>61,928</u>	<u>55,177</u>	<u>1,174</u>	<u>-</u>
<b>NOTE 16: INTEREST BEARING LIABILITIES</b>					
<b>CURRENT</b>					
Convertible notes		731,193	-	731,193	-
<b>NOTE 17: OTHER CURRENT LIABILITIES</b>					
Deferred income		<u>82,300</u>	<u>265,683</u>	<u>-</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>NOTE 18: CONTRIBUTED EQUITY</b>				
<b>(a) Issued and paid up capital</b>				
34,221,500 (2008: 30,901,500) Ordinary shares fully paid 18(b)	8,335,899	7,365,439	8,335,899	7,365,439
Fully paid ordinary shares carry one vote per share and carry the right to dividends.				

**(b) Movements in shares on issue**

	Parent Equity		Parent Equity	
	2009		2008	
	No of Shares	\$	No of Shares	\$
Beginning of the financial year	30,901,500	7,365,439	8,700,000	87,000
Issued during the year	3,320,000	970,460	22,201,500	7,278,439
– Issue of shares for acquisition of Green Plumbers	-	-	2,000,000	1,000,000
– Issue of shares for acquisition of Next Generation Energy Solutions Pty Ltd	-	-	7,400,000	3,700,000
– Issue of shares for acquisition of Sustainable Footprint Pty Ltd *	800,000	240,000	-	-
– IPO shares issued	-	-	3,461,500	3,461,500
– Other shares issued **	2,000,000	500,000	8,940,000	357,913
– Share issued to employees ***	520,000	260,000	400,000	200,000
– Cost of issuing shares	N/A	(29,540)	N/A	(1,440,974)
End of the financial year	34,221,500	8,335,899	30,901,500	7,365,439

\* Issued as consideration for the acquisition of Sustainable Footprint Pty Ltd completed on 1 July 2008.

\*\* Issued for private capital placement by Electrical Trade Union of 2,000,000 shares completed on 30 September 2008.

\*\*\* Issued in accordance with the prospectus of Green Invest Limited. The fair value at the time of granting of these securities was \$0.50. Issued and allocated in November 2008.

**Options**

The following options to subscribe for ordinary fully paid shares were allotted during the financial year and remain outstanding.

Class	Expiry Date	Exercise Price	Number of Options
Electrical Trade Union Placement Options	30 September 2011	50 cents	1,000,000
Company Executive Option Plan	24 December 2013	60 cents	500,000
Convertible note holder Options	27 February 2012	25 cents	2,800,000

**Convertible notes**

The consolidated entity has five secured convertible note holders at balance date totalling \$731,193. These convertible notes mature at various dates commencing 25 December 2009 through to 25 March 2010. The notes attract 12% interest. If the notes were to be converted at the option of the note holder the conversion price would be the lower of 25 cents or such other price that shares might be issued during the term of the notes. The interest rate on the notes increases to 3% above the Penalty Interest Rates Act 1993 rate after six months. Interest is accumulated with the principal amount quarterly in arrears. The convertible notes are convertible to ordinary shares at any time by the note holder and will only be repaid in cash at the redemption date at the option of the note holder.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 18: CONTRIBUTED EQUITY (continued)

(c) Capital management

When managing capital, managements objective is to ensure the entity continues as a going concern as well as ensuring there are sufficient funds to meet on going working capital commitments which is performed via monitoring historical and forecast performance.

Historically, the group has used a mixture of debt and equity to fund working capital commitments and acquisitions.

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>NOTE 19: RESERVES</b>				
Share-based payment reserve	15,296	-	15,296	-
The reserve is used to record the value of equity benefit provided to employees and directors as part of their remuneration.				
<b>Movements in reserve</b>				
Balance at beginning of year	-	-	-	-
Amounts Expensed during the year	15,296	-	15,296	-
Balance at end of the year	15,296	-	15,296	-

NOTE 20: ACCUMULATED LOSSES

Balance at the beginning of year	(1,583,860)	(27,424)	(1,123,224)	(27,424)
Net loss attributable to members of Green Invest Limited	(2,970,560)	(1,556,436)	(3,431,196)	(1,095,800)
Total available for appropriation	(4,554,420)	(1,583,860)	(4,554,420)	(1,123,224)
Dividends paid	-	-	-	-
Balance at end of year	(4,554,420)	(1,583,860)	(4,554,420)	(1,123,224)

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NOTES TO THE FINANCIAL STATEMENTS

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>NOTE 21: CASH FLOW INFORMATION</b>				
(a) Reconciliation of the net loss after tax to the net cash flows from operations:				
Net loss	(2,970,560)	(1,556,436)	(3,431,196)	(1,095,800)
<b>Non-Cash Items</b>				
Depreciation and amortisation	105,066	33,067	16,036	10,182
Write off of plant and equipment	47,669	-	1,518	-
Share based payments	15,296	-	15,296	-
Interest capitalised not paid in cash	18,071	-	-	-
Impairment losses recognised	828,908	-	-	-
Employee share allocation	260,000	-	-	-
Bad and doubtful debts	(16,654)	39,967	-	-
Investment writedown	-	-	2,000,533	-
<b>Changes in assets and liabilities</b>				
(Increase)/Decrease in receivables	1,052,523	(648,128)	50,988	-
(Increase)/Decrease in work in progress	109,838	(109,838)	-	-
Increase in other assets	(66,130)	(136,949)	(41,072)	(315,639)
Increase/(Decrease) in trade and other payables	(1,224,749)	1,249,274	(160,250)	441,507
Decrease in income tax payable	(185,840)	(84,889)	-	-
Increase/(Decrease) in deferred income	(183,383)	265,683	-	-
Increase in employee provisions	6,751	22,598	1,174	-
Net cash outflow from operating activities	<u>(2,203,194)</u>	<u>(925,651)</u>	<u>(1,546,973)</u>	<u>(959,750)</u>

**(b) Reconciliation of cash**

Cash balance comprises:

– Cash at bank	454,091	1,564,853	32,917	650,143
– Cash on deposit	17,504	16,531	-	-
Closing cash balance	<u>471,595</u>	<u>1,581,384</u>	<u>32,917</u>	<u>650,143</u>

**(c) Credit stand-by arrangement and loan facilities**

The consolidated entity does not have any standby credit arrangements or loan facilities other than the convertible notes.

**(d) Acquisition of entities**

During 2009 Green Invest Limited acquired Sustainable Footprint Pty Ltd. These acquisitions were completed via the issue of ordinary shares in Green Invest Limited and payment of cash. Refer to Note 26.

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NOTES TO THE FINANCIAL STATEMENTS

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>NOTE 22: COMMITMENTS AND CONTINGENCIES</b>				
<b>Lease expenditure commitments</b>				
(a) Operating leases (no cancellable):				
Leasing arrangement: Lease of office premises				
Minimum lease payments				
– Not later than one year	176,926	184,103	55,800	-
– Later than one year and not later than five years	121,889	404,497	78,435	-
– Later than five years	-	-	-	-
– Aggregate lease expenditure contracted for at reporting date	298,815	588,600	134,235	-

**NOTE 23: EARNINGS PER SHARE**

	2009	2008
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net (loss)	(2,970,560)	(1,556,436)
<b>Adjustments:</b>	-	-
Earnings used in calculating basic and diluted earnings per share	(2,970,560)	(1,556,436)
	<b>2009</b>	<b>2008</b>
	<b>No of Shares</b>	<b>No of Shares</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	33,497,226	19,604,947
<b>Effect of dilutive securities:</b>		
Share options (not dilutive)	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	33,497,226	19,604,947

In respect to the years ended 30 June 2008 and 30 June 2009, the basic loss per share equated the diluted loss per share. Outstanding options are not considered dilutive due to material differences between the exercise prices of the options and the prevailing share prices at the respective balance dates.

At 30 June 2009 the quoted market price of Green Invest Limited shares was less than the exercise price of the options.

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>NOTE 24: AUDITOR'S REMUNERATION</b>				
Amounts received or due and receivable by Pitcher Partners for:				
An audit or review of the financial report of the entity and any other entity in the consolidated entity	283,440	78,350	152,330	27,350
Non -audit services:				
- Tax and compliance services *	94,052	9,080	53,193	9,080
- Investigating Accountant's Report	-	130,000	-	130,000
- Due diligence on acquisitions and other assurance	-	85,000	-	85,000
- Other assurance services	15,845	34,000	15,845	34,000
	393,337	336,430	221,368	285,430

**NOTE 25: RELATED PARTY DISCLOSURES**

(a) The consolidated financial statements include the financial statements of Green Invest Limited and its controlled entities listed below:

	Country of Incorporation	Percentage Owned	
		2009	2008
<b>Parent Entity</b>			
Green Invest Limited	Australia	-	-
<b>Subsidiaries of Green Invest Limited</b>			
Next Generation Energy Solutions Pty Ltd	Australia	100%	100%
Green Plumbers Global Corporation Ltd	Australia	100%	100%
Sustainable Footprint Pty Ltd	Australia	100%	-
<b>Subsidiaries of Green Plumbers Global Corporation Ltd</b>			
Green Plumbers International Pty Ltd (Trustee for Green Plumbers Unit Trust)	Australia	100%	100%

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 25: RELATED PARTY DISCLOSURES (continued)

(b) The following provides the total amount of transactions that were entered into with related parties for the relevant financial year:  
Wholly-owned group transactions

Loans made by Green Invest Limited to controlled entities under normal terms and conditions. The aggregate amounts receivable from controlled entities by the parent entity as at 30 June 2009 were \$517,051 (2008: \$234,517) refer to note 8.

Transactions with key management personnel

At year end there were loans receivable from Directors totalling \$3,594 (2008: \$2,048), refer to note 8. These loans resulted due to over payment of remuneration. There were no other loans receivable from or payable to key management personnel.

During the year legal services were provided by Browne & Co. Solicitors and Consultants. David Galbally holds the position of partner and Sophie Karzis holds the position of solicitor at Browne & Co. Solicitors and Consultants. These services were provided at arms-length and on commercial terms. The total of the services provided for the year were \$15,957 (2008: \$45,421).

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 26: BUSINESS COMBINATIONS

26.1 SUSTAINABLE FOOTPRINT PTY LTD

(a) Summary of acquisition

On 10 July 2008 Green Invest Limited entered into a contract to acquire 100% of the share capital of Sustainable Footprint Pty Ltd (ACN 131 691 015). The effective date of the acquisition was 1 July 2008.

The acquired business contributed revenues of \$149,826 and a net loss of \$296,478 to the Group for the period from 1 July 2008 to 30 June 2009.

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

<b>Consideration</b>	\$	
- Cash paid	<u>20,000</u>	
<b>Total cash paid</b>	<u>20,000</u>	
Shares issued as consideration (a)	<u>240,000</u>	
<b>Total acquisition cost</b>	<u>260,000</u>	
<b>Net assets acquired</b>	<b>Fair Value</b>	<b>Carrying Amount</b>
Net assets acquired	-	-
<b>Goodwill on acquisition</b>	<u>260,000</u>	<u>260,000</u>

(b) Shares issued as consideration

800,000 ordinary shares were issued on 27 August 2008 as part of the consideration. The issue price of \$0.30 was based on the fair value as at the completion date being both the price at which shares traded and the shares closing share price on the ASX of the 26th of August 2008.

(c) Goodwill on acquisition

The goodwill on acquisition arises as a result of the value of the business and brand created by the expertise of the four founders of Sustainable Footprint Pty Ltd. Given the limited scope of operation carried out by the subsidiary, it is not practical to reliably measure and recognise separately any other intangible assets.

The goodwill is attributable to the expected profitability of the acquired business and the expected synergies to arise after the group's acquisition of Sustainable Footprint Pty Ltd.

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## 26.2 GREEN PLUMBERS ACQUISITION 2008 FINANCIAL YEAR

### (a) Summary of acquisition

On 15 February 2008 Green Invest Limited acquired all the issued capital in Green Plumbers Global Corporation Ltd.

The acquired business contributed revenues of \$1,812,039 and a net loss of \$315,995 to the Group for the period from 15 February 2008 to 30 June 2008. If the acquisition had occurred on 1 July 2007, consolidated revenue and consolidated loss for the year ended 30 June 2008 would have been \$2,476,340 and \$1,468,797 respectively.

These amounts have been calculated using the Group's accounting policies and by the adjusting the results of the subsidiary to reflect the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 July 2007, together with the consequential tax effects.

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	2008 \$
Purchase consideration	
Shares issued (note 18)	1,000,000
Total purchase consideration	1,000,000
Fair value of net identifiable assets acquired	4,845
Goodwill (refer to (c) below)	995,155

### (b) Purchase consideration

	Consolidated Entity 2008 \$
Outflow of cash to acquire subsidiary	
Cash consideration	
Less: Cash acquired	520,946
(Inflow) of cash	(520,946)

### (c) Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's Carrying Amount \$	Fair Value \$
Cash and cash equivalents	520,946	520,946
Receivables	180,745	180,745
Plant and equipment	71,320	71,320
Payables	(768,166)	(768,166)
Net identifiable assets acquired	4,845	4,845

The goodwill is attributable to the future prospects and profitability of the acquired business. The fair value of the assets and liabilities acquired are based on discounted cash flow models. No acquisition provisions were created.

## 26.3 NEXT GENERATION ENERGY SOLUTIONS PTY LTD (NextGen) ACQUISITION 2008 FINANCIAL YEAR

### (a) Summary of acquisition

On 15 February 2008 Green Invest Limited acquired all the issued capital in Next Generation Energy Solutions Pty Ltd.

The acquired business contributed revenues of \$1,321,676 and a net loss of \$144,641 to the Group for the period from 15 February 2008 to 30 June 2008. If the acquisition had occurred on 1 July 2007, consolidated revenue and consolidated loss for the year ended 30 June 2008 would have been \$3,110,333 and \$1,225,767 respectively.

These amounts have been calculated using the Group's accounting policies and by adjusting the results of the subsidiary to reflect the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 July 2007, together with the consequential tax effects.

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	2008 \$
Purchase consideration	
Cash	500,000
Shares issued (Note 18)	3,700,000
Total purchase consideration	4,200,000
Fair value of net identifiable assets acquired	4,200,000
Goodwill (refer to (c))	-

### (b) Purchase consideration

	Consolidated Entity 2008 \$
Outflow of cash to acquire subsidiary	
Cash consideration	500,000
Less: Cash acquired	(24,547)
Outflow of cash	475,453

### (c) Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's Carrying Amount \$	Fair Value \$
Cash and cash equivalents	24,547	24,547
Receivables	800,733	800,733
Plant and equipment	140,437	140,437
Goodwill	4,147,551	4,147,551
Payables	(626,116)	(626,116)
Employee Provisions	(32,579)	(32,579)
Current tax liabilities	(254,573)	(254,573)
Net identifiable assets acquired	4,200,000	4,200,000

The fair value of the assets and liabilities acquired are based on discounted cash flow models. No acquisition provisions were created.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 27: SEGMENT INFORMATION

The consolidated entity has the following business segments and geographical segments:

(a) Business segments

The consolidated entity operates predominantly in the environmental energy initiatives sector and includes:

- (i) **Financial Services (NGES):** Energy, green energy and carbon off-set certificate trading;
- (ii) **Technical Services (Green Plumbers):** Project management of environmentally friendly initiatives for government, non government organisations and commercial enterprises; and
- (iii) **Integration Services (Sustainable Footprint):** Environmental auditing and carbon off-set measurement.

(b) Geographical segments

The consolidated entity operates predominantly within Australia.

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GREEN INVEST LIMITED AND CONTROLLED ENTITIES

ABN 49 119 031 462

NOTES TO THE FINANCIAL STATEMENTS

NOTE 27: SEGMENT INFORMATION (continued)

(c) Primary Segment Information

Business segments	Green Plumbers		Next Generation Energy Solutions		Sustainable Footprint		Green Invest (Administration)		Eliminations and Corporate		Consolidated Entity	
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
<b>Revenue</b>												
Sales to customers outside the consolidated entity	4,430,831	1,783,870	2,655,398	1,316,002	147,606	-	-	-	-	-	7,233,835	3,099,872
Other revenue	8,456	28,169	52,104	5,674	2,200	-	23,464	25,047	(15,296)	-	70,948	58,890
<b>Total segment revenue</b>	<b>4,439,287</b>	<b>1,812,039</b>	<b>2,707,502</b>	<b>1,321,676</b>	<b>149,826</b>	<b>-</b>	<b>23,464</b>	<b>25,047</b>	<b>(15,296)</b>	<b>-</b>	<b>7,304,783</b>	<b>3,158,762</b>
<b>Results</b>												
Segment result before tax	(438,517)	(315,995)	(297,922)	(109,687)	(296,478)	-	(3,431,196)	(1,095,800)	1,493,553	-	(2,970,560)	(1,521,482)
Income tax expense	-	-	-	(34,954)	-	-	-	-	-	-	-	(34,954)
<b>Segment result after tax</b>	<b>(438,517)</b>	<b>(315,995)</b>	<b>(297,922)</b>	<b>(144,641)</b>	<b>(296,478)</b>	<b>-</b>	<b>(3,431,196)</b>	<b>(1,095,800)</b>	<b>1,493,553</b>	<b>-</b>	<b>(2,970,560)</b>	<b>(1,556,436)</b>

Business segments	Green Plumbers		Next Generation Energy Solutions		Sustainable Footprint		Green Invest (Administration)		Eliminations and Corporate		Consolidated Entity	
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
<b>Assets</b>												
Segment assets	3,112,412	1,503,223	5,001,845	5,624,672	113,723	-	4,810,399	6,683,722	(7,061,631)	(4,991,807)	5,976,748	8,819,810
<b>Liabilities</b>												
Segment liabilities	862,081	1,814,374	995,788	1,516,863	410,202	-	1,013,624	441,507	(1,101,722)	(734,513)	2,179,973	3,038,231
<b>Other segment information:</b>												
Acquisition of non-current segment assets	5,004	11,372	22,210	137,067	25,785	-	35,249	2,561	-	-	88,248	151,000
Depreciation and amortisation of segment assets	20,853	5,015	67,701	17,870	476	-	16,036	10,182	-	-	105,066	33,067
Goodwill impairment charge	506,978	-	321,930	-	-	-	-	-	-	-	828,908	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE 28: CONTINGENT LIABILITIES

(a) Contingent consideration Sustainable Footprint Pty Ltd

An additional 400,000 shares in Green Invest Limited will be issued to the vendors of Sustainable Footprint Pty Ltd if the company exceeds a revenue target of \$3,720,340 and a net profit after tax target of \$1,113,364 for the year ended 30 June 2010. If the targets are met the additional shares will be issued before 31 August 2010.

Based on current year results and projected results the contingent payments in respect of the financial year 2010 are not considered probable as at 30 June 2009 and therefore have not been taken up as liabilities in the financial statements.

(b) Contingent liability in relation to previous acquisitions

The directors are aware of a potential exposure in relation to liabilities incurred by one of the entities the company has acquired. Should the potential liability eventuate the company has an indemnity from the previous shareholders that warrants the potential exposure.

NOTE 29: SUBSEQUENT EVENTS

Subsequent to the end of the financial year, the following event took place:

**Capital Raising**

The convertible notes previously issued by the company have been extended to periods ending 30 June 2010 and 31 December 2010.

Other than noted above there has been no matter or circumstance, which has arisen since 30 June 2009 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2009, of the consolidated entity, or
- (b) the results of those operations, or
- (c) the state of affairs, in the financial year subsequent to 30 June 2009, of the consolidated entity.

DIRECTORS DECLARATION

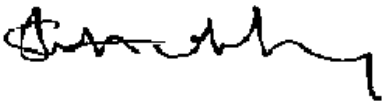
The directors declare that the financial statements and notes set out on pages 40 to 70 in accordance with the *Corporations Act 2001*:

- (a) Comply with Accounting Standards and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and
- (b) Give a true and fair view of the financial position of the company and the consolidated entity as at 30 June 2009 and of their performance as represented by the results of their operations, changes in equity and their cash flows, for the year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Green Invest Limited will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the chief executive officer and chief financial officer to the directors in accordance with sections 295A of the *Corporations Act 2001* for the financial year ending 30 June 2009.

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



Peter McCoy  
Chairman

Melbourne  
30 September 2009

**GREEN INVEST LIMITED  
ABN 49 119 031 462  
AND CONTROLLED ENTITIES  
INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
GREEN INVEST LIMITED**

We have audited the accompanying financial report of Green Invest Limited and controlled entities. The financial report comprises the Balance Sheet as at 30 June 2009, and the Income Statement, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

*Directors' Responsibility for the Financial Report*

The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

*Auditor's Responsibility*

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

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

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

*Independence*

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

*Auditor's Opinion*

In our opinion,

(a) the financial report of Green Invest Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

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

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**GREEN INVEST LIMITED  
ABN 49 119 031 462  
AND CONTROLLED ENTITIES  
INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
GREEN INVEST LIMITED**

**Material uncertainty regarding continuation as a going concern**

Without qualification to the opinion expressed above, attention is drawn to the matters set out in Note 1(n) to the Financial Statements - Going Concern.

The Directors have prepared the financial report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement liabilities in the ordinary course of business.

The economic entity incurred a loss for the year ended 30 June 2009 of \$2,970,560 (2008: Loss \$1,556,436) and as at that date had a deficiency of working capital of \$1,033,011 (2008: Surplus \$310,944) and further a net tangible asset deficiency of \$777,023 (2008: Surplus \$638,873).

The Loss for the year includes non cash impairment losses of \$828,908 (2008: nil) which in the main has resulted in negative cashflows from operations for the year of \$2,203,194 (2008: Deficiency \$925,651).

The following initiatives have been undertaken by the company subsequent to year end.

The company has entered into a cost reduction program which has seen approximately \$1 million of cost incurred during the year being removed from the business.

The directors have targeted a number of projects which they are currently pursuing.

A number of significant trade creditors have entered into repayment arrangements with the economic entity.

The holders of the convertible notes have agreed to extend the due date for repayment of these notes up to 30 June 2010 and 31 December 2010.

The Directors have commenced the process of raising additional funding both debt and equity, however at the date of this report had not reached agreement.

The Executive Director, Mr Ron Lunt, has provided a letter of financial support to the company (should it be required) over the next 12 months committing funds up to \$500,000.

The conditions identified above indicate the existence of inherent uncertainties which cast doubt over the economic entity's ability to continue as a going concern if favourable outcomes are not achieved.

The financial statements do not include any adjustments relating to the recoverability or classification of recorded assets amounts nor to the amounts of classification of liabilities that might be necessary should the economic entity be unable to continue as a going concern.

If the going concern basis of accounting is found to no longer be appropriate, the recoverable amounts of the assets shown in the Balance Sheet are likely to be significantly less than the amounts disclosed and the extent of the liabilities may differ significantly from those reflected in the Balance Sheet.

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**GREEN INVEST LIMITED  
ABN 49 119 031 462  
AND CONTROLLED ENTITIES  
INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
GREEN INVEST LIMITED**

**Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 28 to 37 of the Directors' report for the year ended 30 June 2009. The Directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Auditor's Opinion*

In our opinion the Remuneration Report of Green Invest Limited and controlled entities for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001.



**S D WHITCHURCH**  
Partner

30 September 2009



**PITCHER PARTNERS**  
Melbourne

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# Additional Securities Exchange Information

## Number of Holdings of Equity Securities as at 21 September 2009

The fully paid issued capital of the Company consisted of 33,701,500 ordinary fully paid shares held by 437 shareholders. Each share entitles the holder to one vote. There are 11 option holders holding 22,250,000 options over ordinary shares. Options do not carry a right to vote.

## Distribution of Holders of Equity Securities as at 21 September 2009

Range	Total holders	Units	% Issued capital
1 - 1000	8	5120	0.015
1,001 – 5,000	248	724,428	2.150
5,001 – 10,000	60	523,263	1.553
10,001 – 100,000	86	3,129,965	9.287
100,001 and over	35	29,318,734	86.995
<b>Rounding</b>			
<b>Total</b>	<b>437</b>	<b>33,701,500</b>	<b>100.00</b>

## Unmarketable parcels as at 16 September 2009

Minimum \$500.00 parcel at \$0.10per unit      Minimum parcel size: 5000      Holders: 181      Units: 459,538

## Top 20 holders of FULLY PAID ORDINARY SHARES 21 September 2009

Rank	Name	Units	% of Units
1.	MR RONALD GLEN LUNT	6,514,444	19.33
2.	MR FRANCIS WILLIAM GALBALLY	5,259,444	15.61
3.	A.M.P.K ENERGY CONSULTANTS PTY LTD	3,200,000	9.50
4.	MR BENJAMIN ANDREW YEO	2,608,431	7.74
5.	THE ELECTRICAL TRADES UNION OF AUSTRALIA <VICTORIAN BRANCH A/C>	2,000,000	5.93
6.	MR FRANCIS WILLIAM GALBALLY + MR MICHAEL O'SHAUGHNESSY <FRANCIS GALBALLY S/FUND A/C>	1,555,000	4.61
7.	PATTISON & ASSOCIATES PTY LTD	1,186,048	3.52
8.	MASTER PLUMBERS & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA	800,000	2.37
9.	JENNIFER TOOK SUPERANNUATION FUND PTY LTD <JENNIFER TOOK SUPER FUND A/C>	500,000	1.48
10.	BENCHMARK PTY LTD	439,881	1.31
11.	DINGO INVESTMENTS SUPERANNUATION FUND PTY LTD	400,000	1.19
12.	CORPORATE SERVICES MANAGEMENT PTY LTD	330,000	0.98
13.	MR WILLIAM CLIVE DURHAM + MRS DAWN THERESE DURHAM <W C DURHAM SUPER FUND A/C>	300,000	0.89
14.	WINMEL PTY LTD <R E BOTT SUPER FUND A/C>	300,000	0.89
15.	FINANCIAL & ENERGY EXCHANGE LTD	250,000	0.74
16.	MR DARYL LINDON HALL	250,000	0.74
17.	MR PAUL EDWARD O'BRYAN	250,000	0.74

## Additional Securities Exchange Information – (continued)

### Top 20 holders of FULLY PAID ORDINARY SHARES 21 September 2009 – (continued)

Rank	Name	Units	% of Units
18.	DR MICHAEL PETER YEO + MRS JENNIFER ANNE YEO <YEO SUPER FUND A/C>	250,000	0.74
19.	INDIRA NAGAR PTY LTD <NICOLSON SUPER FUND A/C>	244,320	0.72
20.	MR DAVID JOHN LAURITZ + MRS DEBORAH MADGE LAURITZ <LAURITZ SUPER FUND A/C>	205,000	0.61

### Substantial Shareholders

Rank	Name	Units	% of Units
1.	MR RONALD GLEN LUNT	6,514,444	19.33
2.	MR FRANCIS WILLIAM GALBALLY	5,259,444	15.61

### Other Information

The name of the Company Secretary is Mr Ronald Lunt. The address of the principal registered office in Australia and the principal administrative office is Level 2, 480 Collins Street Melbourne Victoria 3000 Australia. The Company is listed on the Australian Securities Exchange. The home exchange is Melbourne. Registers of securities are held by Computershare Investor Services Pty Ltd, Yarra Falls, 452 Johnson Street, Abbotsford, 3067, Victoria, 3067, local call is 1300 850 505, international call is + 613 9415 4000.