



**21<sup>st</sup> October 2010**

**ASX Announcement**

**GREEN INVEST DELAYED ANNUAL REPORT**

The Board of Directors apologises for any inconvenience caused by delaying the presentation and release of the Annual Report for Green Invest Limited (“Green Invest” or “Group”) for the year ended 30 June 2010.

The delays were caused by the recent signing of significant contracts, as announced on ASX; key management on unavoidable leave; and ensuring that all expenses/costs were included in the correct FY.

Following discussions with Auditors, the Board believes it prudent that the results as announced, in the Preliminary Final Report, be reviewed to include shares approved for issue but not allotted by the Board of Directors in respect to services rendered; and prior financial period taxation claims. In respect of the allotment of shares to Board members they were delayed pending resolution of certain elements of the Nextgen dispute [based on prior financial periods] and ensuring that substantial progress had been made in the restructure of Nextgen. With those objectives having been reached the allotment will be made and appropriate notices lodged.

**Further Enquiries:**

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***green invest***

Investing in Sustainability

GREEN INVEST LIMITED  
AND CONTROLLED ENTITIES  
ABN 49 119 031 462

ANNUAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2010

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# CORPORATE INFORMATION

## GREEN INVEST LIMITED

ABN 49 119 031 462

## DIRECTORS

Mr. Peter McCoy (Non-Executive Chairman)  
Mr. Ronald Lunt (Executive Director)  
Mr. John Filippo (Non-Executive Director)

## COMPANY SECRETARY

Mr. Michael Kirby

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## ASX CODE

GNV

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# Chairman's Report

Dear Shareholders,

## The Year in Review

On behalf of the Board of Directors, I have pleasure in presenting the Annual Report of Green Invest Limited ("Green Invest" or "Group") for the year ended 30 June 2010.

The results of the Company for the year (and the first quarter of the new FY) are gratifying. The Board has continued the process of consolidation and review of the Group's strategic direction throughout the year which has confirmed the viability of the underlying strategy of providing a fully integrated business model.

Changes put in place by the new Board and Management Team have seen the Group's financial performance improve steadily throughout the year. The Board has set about undertaking an extensive review of each of its business units as well as adding a number of new key business units. The objective of the Board has been to ensure that each business unit is independently profitable with performance based upon normal business conditions and not reliant upon Government incentive programs.

## Green Plumbers

The acquisition of the *Green Plumbers*<sup>®</sup> brand was finalised during the year, thus strengthening the relationship with employer associations including other state based Master Plumber Associations around Australia, the Plumbing Trade Employees Union, Government and various Water Authorities and other suppliers.

The continued growth of the model across the globe is evident with the close ties established with the United Association (USA based plumbing trade union) and the International Association of Plumbing and Mechanical Officials (IAPMO – Internationally recognised plumbing standard setter). Green Plumbers has also commenced negotiations to re-acquire the Green Plumbers USA commercialisation rights

## Sustainable Footprint

The 2009/10 Financial Year was one of highs and lows for Sustainable Footprint. The delay of the Carbon Pollution Reduction Scheme (CPRS) along with delays in the Business Energy Efficiency Certificates scheme, mandatory reporting for commercial properties and the equivalent residential reporting scheme, has resulted in a reluctance by businesses to undertake voluntary reporting.

As a result, Sustainable Footprint developed an education income stream with the establishment of Sustainable Footprint Education (SFE). During the year, SFE was selected as one of the original training organisations for the Federal Government's Home Sustainability Assessment Scheme. Also during the year, a number of new training programs focusing on sustainability have commenced development with a roll out due here in Australia and internationally in the 2010/11 financial year.

## Next Generation Energy Solutions

Nextgen's year was one of gathering momentum with income in excess of \$400,000 per month. The growth in income was as a direct result of the CPRS being shelved until 2012, thus providing the electricity markets with certainty to start structuring forward trades again, and changes to the Renewable Energy Certificate (RECs) legislation also lead to an increase in trading of RECs.

## New Business

The Group has worked hard to establish a number of new businesses and opportunities in line with its new integrated business model. The Group's business model has resulted in the development of key relationships with suppliers to ensure suitability of product, with Industry Associations and Unions to ensure appropriate installation from specially trained technicians and with Nextgen to broker environmental securities.

## Chairman's Report Continued

These businesses and opportunities allow us to take advantage of our brand awareness and strong reputation. Whilst none of these businesses have generated income for the current year ended 30 June 2010, they are poised to make a strong impact in the new year.

The new businesses and opportunities are:

**IntoEco** was launched in July 2010 with two main business streams, a retail sales network with both online and direct sales functions focusing on new environmentally friendly technologies such as Solar PV and Solar Hotwater systems, water tanks and dual flush toilets, and a REC Administration business servicing the plumber and electrician networks. This business will assist with the registration of RECs with the relevant managing authority.

**Green Electricians International** was launched also in July 2010 with similar goals as Green *Plumbers*<sup>®</sup> providing trade services supported by world leading training in sustainability practices and technology.

**Sustainable Footprint Education** as previously discussed above.

**Expanding the financial services** currently being offered by the Group.

## Management and Staff

The Group has again made a number of senior management changes during the last twelve months. As we commence our new phase, the Board will continue to review the senior management structure of the Group to ensure the skills matrix of the Management Team meet those required by the Group.

We are confident that our team will continue to deliver improved performance for the business in the future as we enter this exciting stage of our development.

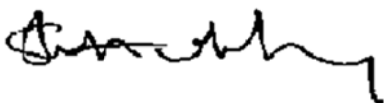
The improved results of the Group this year would not have been possible without the dedication and hard work of the Management Team and all employees of the Group. Many of our team have made significant contributions to help move the Group forward, and I would like to take this opportunity to thank them on behalf of the Board and all our shareholders.

## Outlook for 2011

Whilst the Board have taken many steps towards building the Group for the future, there is significant work still being done to finish the job we started just over twelve months ago. The major issues still facing the Group in the new financial year are:

1. Addressing the capital structure of the business.
2. Addressing the debt of the Company, especially the Convertible Notes. It is the intention of the Board to negotiate better commercial terms and substantially retire the debt within the next six months.
3. Investigations by the Company and its advisers have also lead to a number of anomalies being identified involving the initial acquisition of Nextgen. These anomalies have caused the Group significant financial losses. The Company has embarked on a series of legal actions to recover these losses.
4. Continue to improve the financial performance of each of the business units.
5. Initiate a detailed investor relations program to better inform our shareholders of the developments and achievements in a more timely manner as well as the wider investment market.

With a strong platform, the Group is now well positioned to take advantage of the many new opportunities. The key to many of these opportunities is the strong relationships the Group has managed to build over the past twelve months. Whilst the Board has ambitious plans for the coming twelve months, they will be done in a fiscally responsible manner ensuring the sustainability of the business. We look forward to making significant announcements in the coming year demonstrating to all that the Group is finally "Moving Forward".



Mr. Peter McCoy  
Chairman  
21 October 2010

# Executive Director's Report

## Progressing along the Path

As we outlined in last year's annual report, much work had been done and more is needed to be done, to move the Group along the path towards sustainable profit and growth. The results of the financial year just ended, provides evidence that those changes have had a positive impact.

The Group recorded a loss of \$3.7m for the financial year ended 30 June 2009. At 30 June 2010, the Group recorded a loss of \$0.39M. Notwithstanding that the result is a loss, the Board considers that it is a significant turn-around and the Group is now poised to enter a growth phase. The profit figure reported by the Company in the Appendix 4E preliminary financial report has been reviewed following the inclusion of an expense of the notional value of shares approved for issue but not allotted by the Board of Directors in respect to services rendered. Allotment was delayed by the Board pending resolution of certain elements of the Nextgen dispute and the substantial progress being made in the restructure of Nextgen, see recent ASX Announcements. This result was encouraging for the future of Green Invest. These results were achieved due to:

1. The announcement by the Federal Government to delay the introduction of the Carbon Pollution Reduction Scheme (CPRS) meant the removal of one element of uncertainty and resulted in the willingness by the electricity markets to re-enter the futures market. This has resulted in increased brokerage for Nextgen in the second half of the financial year.
2. The changes to the Renewable Energy Targets (RET) legislation by the Federal Government caused a spike in the REC's price and greater activity in the markets again resulting in increased brokerage in the second half of the financial year.
3. Continuing tight fiscal controls leading to a reduction in costs. Costs were cut by \$1.3M this financial year with the majority of savings coming from employment costs and external consulting fees.
4. The great work undertaken by our dedicated staff in implementing the strategy of the Board with a minimum of resources.

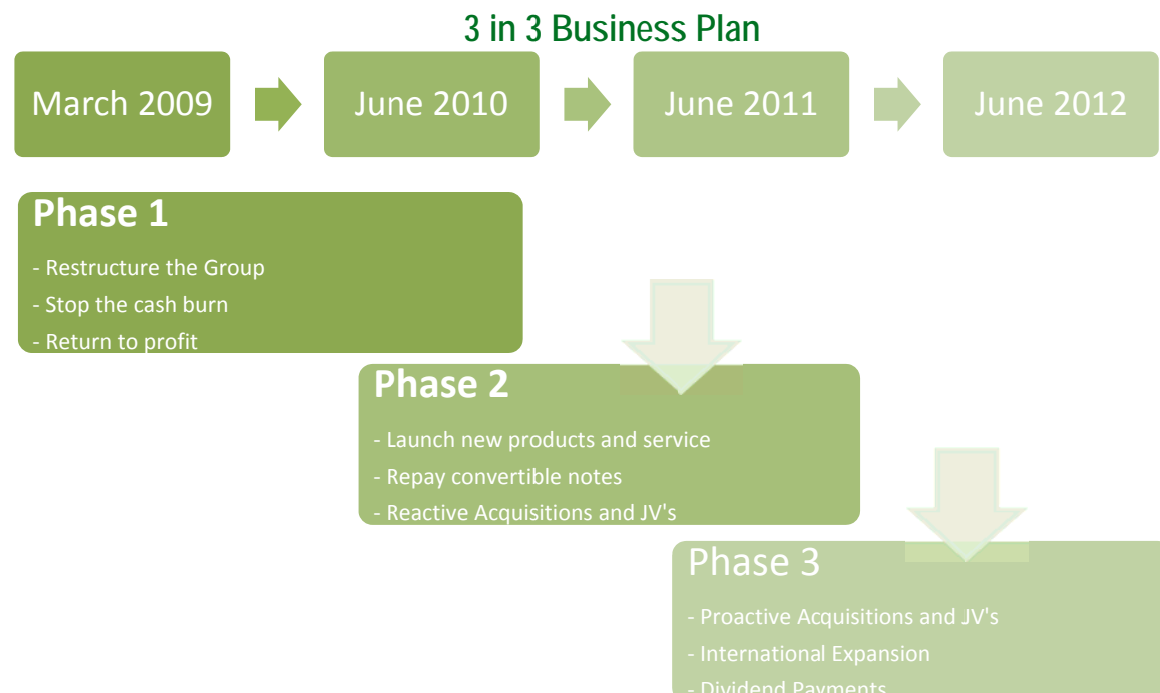
## Green Invest Strategic Timeframe and Business Model

When the current Board took-over the reins early last year, it set about establishing a revised strategic plan and implementing a business model for the Group that it believed met a number of objectives:

1. To achieve the objective of the Group to be at the forefront of the new Carbon Economy.
2. That the Group be independently sustainable and not reliant on short-term Government policy objectives.
3. To achieve sustainable realistic objectives given the political, social and economic environments.
4. To enhance and expand relationship with key Industry Associations.

To return shareholder value through growth of its share price

The timeframe the Board established for the above was a three (3) phase plan over three (3) years. The plan was short enough to enable the Board to establish realistic goals yet long enough to provide the Board time to implement the changes required and see the operational and economic impact of those changes. The "3 in 3" plan has now been in effect for just over twelve (12) months and progress is starting to be seen. The Group is now in phase two of its Three Phase Plan.



## Executive Director's Report (continued)

As you can see the Group has managed to successfully achieve a number of the goals and make significant headway through Phase One ("Preparing for Growth") and is now entering Phase Two.

### Achievements in Phase One included:

1. The restructure of the Green Plumbers business model.
2. The development of a new management team being put in place. In the new financial year it is the Board's intention to continue to develop the functional and organisational structure of the Group. The main aspect of this work will be the appointment of a Chief Executive Office and additional Board members.
3. Arresting the cash burn which has resulted in the Group showing significant improvement in liquidity. The goal in the new financial year is to ensure Green Invest improves its positive cash flow.

### Phase Two ("Sustainable Organic Growth") has also seen significant progress as follows:

1. A number of new products and services have been launched at the start of this new financial year.
2. A plan to repay the convertible notes by the end of the 2010 calendar year. Apart from the Convertible Note, the Company has no other borrowings.
3. Addressing various elements of the capital structure of the Group to ensure ongoing stability and shareholder value can be grown in line with expected improvement in the operational and financial performance of the Group.
4. The value of the Group's business model can now be seen by many in associated industries. The Group has received and vetted a number opportunities for acquisitions, joint ventures and mergers during the past twelve months. The Group will continue to consider all opportunities with the view that any proposal must compliment the goals of the Group and be able to pass our stringent due diligence process.

### In the new financial year we will begin preparation for Phase Three ("Sustainable Growth"):

1. To commence a proactive search for the acquisition of businesses that enhance or support the Group's business model as it continues to evolve (development of an Acquisition Strategy).
2. Work on International Expansion has already commenced with the licensing of Green Plumbers in the USA and rolling out of the brand into India. The management team has also undertaken significant work strengthening our relationships with key stakeholders in the USA. The Group intends to restructure the current activities in USA via incorporating a number of the lessons we have learnt from Green Plumbers Australia.

## Contributing Factors to our Performance

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

**Global Financial Crisis (GFC):** The affects of the GFC continued to impact the business throughout the financial year. In the second half of the financial year there has been a perceived improvement in economic forecasts however the threat of a subsequent adjustment is still looming large. This has made many of our clients wary of making too many forward commitments and in the sustainability markets their discretionary spending dollars have evaporated.

**Government Policy:** This financial year has seen many changes in government policies in the "Green Space":

The delays in the CPRS legislation and subsequent decision by the Government to postpone the decision until 2012 will limit the growth of brokerage income for Nextgen in certain of its traditional markets. This however has provided the impetus to expand into non-traditional segments of the market.

Changes to the RET legislation splitting REC's into two distinct markets caused confusion and uncertainty in the market. Once again, with Nextgen being at the apex of the industry, the changes have attracted more clients to utilise the services of Nextgen. Monthly brokerage has substantially improved and the Board believes that with its unique market position and reputation, revenue will continue to improve and its services and products expanded.

**Rectifying the Past:** The operations of the business have been hampered by a number of historical factors. The management team have worked diligently to overcome these obstacles. The poor financial performance of the Group since its listing in 2008 has created hurdles when attempting to gain new business for various parts of the Group. The improved Group results are certainly being viewed in a positive light in the market.

The "new" management team have worked hard to demonstrate the new service culture within the Group is exemplary. That change in reputation is gathering momentum and resulting in positive results when tendering for projects.

# Executive Director's Report (continued)

## The Green Invest Business Model

The Business Model continued to evolve over the past financial year as work continued in the development of new products and services.



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# Executive Director's Report (continued)

## Review of Operations

### Green Invest Financial Services Division

Nextgen forms the major component of Green Invest's Financial Services Division, and plans are underway to expand our operations in this arena. Nextgen revenues increased dramatically over the last six months of the Financial Year particularly for the Black (Electricity) component. As mentioned above, uncertainties with delays in the introduction of a CPRS coupled with the split between large and small RECs meant a softening in the Green (Environmental Assets) Desk however consistency is now returning with a number of financial products being developed by Nextgen to cater for demands of clients in the current environment.

The Global Financial Crisis again had a dampening effect on most markets early in the financial year. The impact of the United Nations Climate Change Conference in Copenhagen in December 2009 and the deferment of any reintroduction of CPRS legislation until 2012, created challenges for our sustainability market place. These negative forces started to clear by the end of the 2009 calendar year.

Early in 2010, the Government announced changes to the RET which is now legislated and will result in a two tier system for REC as at 1<sup>st</sup> January 2010. These changes were introduced to boost REC prices to help support large scale renewable energy projects such as wind and solar farms. It is the view of the Board that the end result of these changes will increase the growth of the REC market at least until 2012 and will at the same time enable the introduction of various financial products by Nextgen to satisfy timing demands. The Nextgen team is uniquely qualified to deal with these changes and remains Australia's largest broker in green environmental securities.

The Nextgen strategy for the coming year is to consolidate and build its position in the Black Trading Desk. Whilst Nextgen clearly dominates the Green Market and has established itself as the industry leader, it plans on strengthening its position in the Black electricity market.

In the new financial year, Nextgen's goals are to increase its share of the market and work has already commenced with the re-deployment of additional resources to its Sydney office and the addition of new brokerage staff.

#### The Future

The Board has recognised the need to strengthen the financial capabilities of Nextgen and also to diversify the product and service range offered. Work has been undertaken to investigate these opportunities including:

- Identifying products and services that are required by our current client base.
- Identifying products and services that are in keeping with the Group's vision that will attract new clients.
- Identifying major financial Groups with a similar vision to Nextgen.

Green Invest has made a recent ASX Announcement in reference to the joint venture with Envex Services. The aim of the joint venture was to combine Envex's market experience and corporate associations with Nextgen's broking expertise and its network of companies and associations active in energy and carbon markets. The Directors believe this combination will produce a unique enterprise well placed for growth in this emerging market.

As we introduce new products and services in Phase Two, to grow revenues, we will employ this model again. To introduce additional capital into the Company we will seek the appropriate partners (many industry and commercial relationships identified in phase one) for selected projects. Examples of selected business opportunities of where we are working with partners are funds management and aggregation/administration type projects. This approach will enhance our shareholders value (less dilution, greater share price).

### Green Invest Integration Services Division

Sustainable Footprint (SF), Sustainable Footprint Education (SFE) and Green Professionals (GPR) currently form Green Invest's Integration Services Division.

The addition of the education services into this Division was a financial boom. During the year, SF was appointed one of the initial trainers in the Federal Government's Home Sustainability Assessment Scheme (HSAS). Whilst the program itself suffered many problems and was the subject to a number of inquiries, SF was commended by all concerned on the quality of the services provided. In four months of operations, it was able to generate revenues in excess of \$0.5M. Following the successful delivery of this program, SFE was established with the view of developing and promoting education services in the sustainability sector. In July 2010, SFE's first course was presented to a Group of business managers at a Registered Training Organisation in Melbourne. There are plans in development for a further four courses.

## Executive Director's Report (continued)

SF's audit functions have been wound back in the financial year due to businesses unwillingness to use their discretionary spending on sustainability audits that will become compulsory sometime in the near future. The drain on resources to develop new business opportunities lead to a decision by the Group to temporarily refocus our resources to education and associated services. Unfortunately indecision from the Federal and State Governments led to uncertainty in the market, following the introduction of the Commercial Building Disclosure Scheme (CBD) legislation in mid-2010 some of this uncertainty has been removed. SF will remain active in the commercial environmental consultancy space during the coming financial year and is currently engaged in ongoing consultancy work with the MCG and other organizations.

In the review of our business model, the way we undertook audit work both on a residential and commercial basis has been altered to accommodate residential and small scale commercial audits through the new GPR membership network. At present, GPRs are comprised of HSAS trained residential assessors with varying degrees of training and experience from a range of backgrounds. During this financial year, selected GPRs will be trained further in the National Australian Built Environment Rating System (NABERS) in order to enable SF to be involved in the CBD.

This network of assessors will also be utilised in the upcoming Green Start program, the replacement for the Green Loans program, which is currently in the tender process. GPR's will also be further trained next year to be qualified to perform audits under the Mandatory Disclosure for residential premises program due to begin during 2011.

The integration of sustainability assessments/audits into the financial and technical services divisions continues to strengthen the concept of Green Invest being positioned as the pre-eminent, completely integrated service solutions provider in the Sustainability and Environment Business Sector. The Group has dealt with this successfully in both of its major divisions, with Nextgen revenue increasing [see above] and in the case with technical services, the reworking of the business model coupled with the close relationship between the Company and industry associations. This Tri-partisan approach has enabled the Group to win a number of major tenders and projects across Australia.

### Integration Services Division Achievements:

In its second year of operations, Integration Services managed a number of significant achievements despite numerous changes being made to its operational and strategic direction.

### Integration Service's achievements include:

- Continued work with the Melbourne Cricket Club in making the MCG more environmentally friendly.
- Training in excess of 500 assessors under the Australian Federal Government's Green Loans Program - Home Sustainability Assessment Scheme (HSAS).
- Development of training programs to be rolled out in the new financial year dealing with carbon accounting, introduction to workplace sustainability policy development, level one energy audit and introduction to sustainability.
- Accreditation by SF staff in the National Australian Built Environment Rating Systems (NABERS) which allows SF to provide Star Ratings to commercial buildings across Australia.
- Green Professionals membership of 120 assessors across Australia.
- Acceptance of Brunswick Bowls Club as a test case by SF in the EPA's Community Funding Program.
- Integration with Technical and Financial Services Divisions within Green Invest to provide enhanced Management, Sales and Operations capability – sustainable business development.

### The Future

There are many changes regarding mandatory reporting on both commercial and residential buildings that will increase the need for systems and trained professionals that will come into effect over the coming years. Already the new Commercial Building Disclosure (CBD) legislation has been passed and will commence on 1st November 2010. This will require any building greater than 2,000m<sup>2</sup> that is to be sold or leased to have a CBD certificate. Until 1st November 2011 our NABERS accredited assessors will be able to issue CBD certificates. On the smaller residential front it is expected that a mandatory reporting system will also be introduced in coming years with the CSIRO already working on a reporting model and front end software. SF is well positioned to capture a major part of this market moving forward.

*Green Plumbers®*, (GPI) IntoEco (IE) and Green Electricians (GE) currently form Green Invest's Technical Services Division.

# Executive Director's Report (continued)

## Green Invest Technical Services Division

The financial year ended 30 June 2010 was most challenging for the Technical Services Division and one that can be divided into two parts.

- The first six (6) months was taken to restructure the GPI business model from top to bottom. This involved developing a new model in consultation with strategic partners and then negotiating with license holders to relinquish their licenses and transfer to the new memberships. Through the hard work and dedication of the new management team, this goal was achieved.
- In the second six (6) months, we started to re-build the brand reputation, recruit new members and engage with manufacturers and suppliers. In this period, membership increased significantly from the 20 licensees transferring to 90 members by the end of the financial year. We expect the recruitment of new members to increase in the new financial year as promotional activities increase and the rate of work won for our members also increases.

Government funded projects and tenders have proven to be less profitable than forecasted. The Western Port Greenhouse Alliance ('WPGA') and Western Alliance for Greenhouse Action ('WAGA') which were won last year have generated very little income as both have failed to generate interest after the federal government terminated the Green Home Loans program. The WPGA program was suspended indefinitely, and with WAGA, we have performed approximately 350 assessments and no installations in the financial year ended 30 June 2010.

The new sales programs which we are currently implementing have been structured with a greater emphasis on direct sales through organisations looking to position environmental products to their client databases. These organizations generally have financially committed resources for sales and promotional activities to support the positioning of these products. The sales and development team are also very close to making a number of announcements of large scale tender wins in the coming weeks and months. We have also employed a promotional and marketing Group to generate direct sales across our product lines.

Strategic relationships have also been established that will provide Green Invest with a national distribution network of environmental products for consumers and tradesmen.

One task that was finally completed this financial year was the acquisition of the Green Plumber trade marks for Australia, New Zealand, USA, Canada and the European Union. Work is now underway to consolidate and protect that brand across the globe and to extend the reach into India and China.

### What Next

*Green Plumbers®* is continuing to work with the trade associations and unions to generate an Australia-wide awareness of Green Plumbers brand by the trades, manufacturers and consumers.

Negotiations have been underway for some time to re-acquire the license rights of Green Plumbers in the USA. Green Invest is committed to the growth of GP USA. It was considered prudent by the Board to have Phase One completed (and debt removed) before we proceeded with these negotiations. It is a goal of the Board to complete this transaction in the new financial year and re-launch the brand with the lower cost Australian model and with the support of the unions and trade associations.

Given the natural affinity of Green Plumbers to water and plumbing, it makes sense to try and develop stronger ties with water utilities, local councils, state and federal governments. Already the Victorian Government is committed to Green Plumbers through its program "Jobs for the Future Economy – Victoria's Action Plan for Green Jobs" launched in April 2010.

## Green Invest Corporate

Continuing on the goals of last year our focus has been on continually, improving the management and financial performance of the Group by:

- Reducing reliance on outside consultants/contractors and bringing most work back in house, especially in the accounting and legal fields.
- Reviewing the operations of the Group and identifying a number of areas where government assistance and grants could be obtained. The first of these was the Research and Development grants which is expected to generate rebates in excess of \$330,000.
- Develop and implement more timely management reports and detailed financial analysis including profit and loss and cash flow forecasting to the Board.
- Development and implementation of a new set of financial policies across the Group. These provided a guide to ensure the Group maximized the return on every dollar it spent.

# Executive Director's Report (continued)

## The Future – What Next

By the end of the 2009/10 financial year the Green Invest re-structure had been completed with many hard and painful decisions being made. Now is the time for the Group to commence the rebuilding phase and sustainably grow the business - the way envisaged it could and would grow when the Company was initially floated on the ASX. Many of the goals remain from last year but now they are much closer to fruition.

- **Green Invest Market Position.** Green Invest is ideally positioned to take advantage of the substantial programmes that will be offered under Government sustainability and climate action programs.
- **Corporate/Business** changes planned for this financial year include expanding of the Board, with Independent Directors, the identification and appointment of a new CEO, and commence a rollout of an investor relations program– such as road-shows and newsletters etc.
- **Integration.** The Business Model has now emerged as our greatest asset with all sides of business and politics envious of its breadth.
- **Sales/Marketing.** The introduction of an integrated Sales/Marketing Team last year needs to be expanded with additional resources for business development as well as marketing and promotional activities.
- **Organic Growth.** Green Invest has started the new financial year with a strong business platform. As this report is being written, many opportunities are about to commence reaping rewards for the Group.
- **Global Reach.** The Green Invest model has been designed to be transportable to other jurisdictions around the globe either as a whole or parts thereof.
- **Joint Venture Partners to introduce capital on selected Financial and Technical Services Projects.** See recent ASX announcements in reference to the JV for Nextgen. This approach will provide revenues and profits growth for the Group, reduce risk and enhance shareholder value.

Whilst the 2008/09 financial year was a challenging year for the Group, 2009/10 has been one of hard work. We are beginning to see the rewards from this hard work. The work from a small but dedicated team has managed to turn around this business in a very short period of time using limited resources. Their efforts have been remarkable. The 2010/11 financial year promises to be one of hope and rewards as we continue to gather positive momentum towards a sustainable environment and Company.

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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
- 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
- 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 two non-executive Directors and one executive director, thus satisfying this recommendation. Without limiting the previous statement, it should be noted that one of the non-executive Directors, Mr Peter McCoy, holds 2.2 million shares in the Company. This holding does not impact his independence and non-executive status.

***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.*

Green Invest Limited has a Nomination and Remuneration Committee. This recommendation is satisfied.

### 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, Security Exchange Listing Rules, Australian Securities and Investments 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, Mr Ronald Lunt and Mr Giovanni Filippo. Prior to March 2009, the Audit Committee was in compliance with this recommendation. Since the restructure of the Board in March 2009, this recommendation is not currently being met to the extent that an executive director is on the Audit Committee. Due to the current small size of the Board, this role is currently retained by the full Board.

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 Committee has a formal charter which sets out the Committee's role and responsibilities, composition, structure and membership requirements. The Audit 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 the 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 copy 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 meet at appropriate times with the external auditor in order to fulfil its Charter.

#### Operational Risk

Projects are approved only after extensive review by highly qualified technical staff, consultants and after submissions to the Board through the Chief Executive Officer.

#### 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 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 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) meetings and communications of all areas of the business, that the Board is able to identify risks and non-compliance issues and to effectively ensure 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.*

Green Invest Limited has a Nomination and Remuneration Committee. Due to the current small size of the Board, this role is currently retained by the full Board.

*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 2010 and auditor's report thereon. This financial report has been prepared in accordance with Australian equivalents of International Financial Reporting Standards.

## Current Directors

The Directors in office at any time during or since the end of the year to the date of this report are:

<b>PETER McCOY</b>	<b>RONALD LUNT</b>	<b>GIOVANNI FILIPPO</b>
<b>Chairman and Non-Executive Director</b>	<b>Executive Director and Acting Chief Executive Officer</b>	<b>Non-Executive Director</b>
Appointed 16 March 2009	Appointed 16 February 2009	Appointed 18 December 2009

## Former Directors

**KEN EDWARDS**

**Executive Director**

Appointed 30 November 2007

Ceased 26 November 2009

## Company Secretary

**Mr Ronald Lunt**

Mr Lunt was appointed as Company Secretary on 1 April 2009 and resigned on 26 February 2010.

**Mr Michael Kirby**

Mr Kirby was appointed as Company Secretary on 26 February 2010 and is currently also the Chief Financial Officer.

## Nature of Operations and Principal Activities

Green Invest Limited listed on the ASX in February 2009 and now comprises:

- Green Plumbers (GPI), a leading internationally recognised plumbing membership network focused on the high volume distribution and installation of environmentally friendly plumbing products in the retail and commercial markets.
- Next Generation Energy Solutions (Nextgen), the largest environmental commodities broker in Australia as well as wholesale electricity broker.
- Sustainable Footprint (SF) is the provider of environmental audits to commercial and residential clients making recommendations that will lead to a reduced footprint resulting in associated costs savings.
- Sustainable Footprint Education (SFE) is the developer and provider of environmental and sustainability education services.
- IntoEco (IE) is an online retail solution for environmental friendly technology related to electricity and water.
- Green Electricians (GEI), an electrician membership network focused on the high volume distribution and installation of environmentally friendly electrical products in the retail and commercial markets. Directors' Report (continued).
- Green Professionals (GP) is a residential and commercial sustainability auditing membership network focused on the provision of auditing services and reporting technologies.

Other than the introduction of new businesses in relation to SFE, IE, GEI and GPI, there have been no other significant changes in the nature of these activities during the financial year.

## Directors' Report (continued)

### Review & Results of Operations

The consolidated loss after tax attributable to the members of Green Invest Limited was \$593,060 (2009 Loss \$3,709,866).

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 12.

### Significant Changes in the State of Affairs

During the year ended 30 June 2010, Green Invest Limited established a number of new entities:

Sustainable Footprint Education Pty Ltd	20 November 2009
Green Professionals Pty Ltd	20 November 2009
IntoEco Pty Ltd	27 November 2009
Green Electricians International Pty Ltd	31 March 2010

As part of the Green Plumber Trade Mark acquisition on 16 April 2010, Green Invest Limited acquired a number of dormant companies from Master Plumber and Mechanical Services Association of Australia:

Green Plumbers Pty Ltd
Green Plumbers Assist Pty Ltd
Green Plumbing Environmental Service Pty Ltd
Green Credit Pty Ltd
Green Plumbing Services Pty Ltd
Green Plumbers Australia Pty Ltd

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 balance date, the Group has signed a material contract with Scouts Australia NSW in relation to the provision of various services. Also, the Group has entered an agreement to sell its interest in the Nextgen's business into a joint venture with Envex Services, which is a subsidiary of Climate Change Pty Ltd. The Group will retain a 49% interest in Envex Services and will be represented on the Board of Envex Services. Under the transaction, the Group effectively sold 51% of its interest in the Nextgen business for \$2 million which will be received in cash. Also, the Group has settled some of its Supreme Court litigation in respect of the acquisition of Nextgen with the vendors of Nextgen. As a result of this settlement, the Company will receive some minor settlement funds.

The above matters have been disclosed in ASX announcements made since balance date, and other than these matters, there are no events that have taken place subsequent to the end of the financial year.

### 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 12. 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 Issues

During the year, the Company approved the issue of 17,457,683 fully paid ordinary shares.

Of the shares approved for issue, 6,161,882 are unissued as at the date of this report.

Further details are contained in Note 16 to the financial statements.

### Share Options

During the year, 13,213,016 options were granted over unissued ordinary shares in the Company.

Of these, 4,329,216 options were granted to Directors as part of their remuneration, as disclosed in the Remuneration Report. These options are exercisable at 10 cents and expire on 31 December 2011.

A further 8,591,634 options were granted to shareholders (which included 1,769,666 options to certain Directors) pursuant to placements and a rights issue. These options are exercisable at 10 cents and expire on 31 March 2011.

Whilst the granting of the above options has been approved by the Directors and/or shareholders as applicable, 13,213,016 options have not as at 30 June 2010, nor as at the date of this report, been issued and allotted.

Further details are contained in Note 16 to the financial statements.

### 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
450,000	\$1.20	25 November 2011
1,000,000	\$0.50	30 September 2011
1,400,000	\$0.25	27 February 2012
4,621,382	\$0.10	31 December 2011
8,591,634	\$0.10	31 March 2011

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.

## Directors' Report (continued)

### Proceedings on Behalf of the Consolidated Entity

No person has applied for leave of the Court to bring proceedings on behalf of the Consolidated Entity.

### 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  
*Llb /B.Juris*  
Appointed 16 March 2009

Chairman and Non-Executive Director  
Member of the Audit, Nomination and Remuneration Committees.

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 2010.

Ronald Lunt  
*BSc*  
Appointed 16 February 2009 (As Director)  
Appointed 1 April 2009 (As Company Secretary)  
Resigned 26 February 2010 (As Company Secretary)

Executive Director and Acting Chief Executive Officer and Former Company Secretary  
Member of the Audit, Nomination and Remuneration Committees.

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 2010.

Giovanni Filippo  
B.Bus, CA  
Dip Fin Serv  
Appointed 18 December 2009

Non-Executive Director  
Member of the Audit, Nomination and Remuneration Committees.

John has extensive knowledge and experience in all aspects of accounting, taxation, valuations and business services on a domestic and international level. This has enabled him to establish and maintain a successful, dynamic and progressive accounting firm.

John has been involved with the listing of public companies on the Australian Securities Exchange and has been involved in dealings ranging from day to day operations to providing consultancy advice in relation to accounting, taxation and business matters.

John also extensive experience with the establishment and ongoing operations of a number of wholly owned foreign subsidiaries in a number of industries including orthopaedics, software providers and developers as well as other industries.

On an international level John has experience in dealing with a number of jurisdictions including the United Kingdom, United States of America, Europe, Hong Kong, Singapore and China. John has been involved in a number of complex transactions on a domestic and international level involving advice on commercial, accounting and taxation, matters.

No other Directorships of listed companies were held by Mr Filippo at any time during the three years prior to 30 June 2010.

## Directors' Report (continued)

Ken Edwards  
*B.App.Sci Dip Fin Serv*  
 Appointed 30 November 2007  
 Resigned 26 November 2009

Executive Director (former)  
 Member of the Audit, Nomination and Remuneration Committees.

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 2010.

Company Secretary  
 Michael Kirby  
*B Comm, CPA, MBA*  
 Appointed 26 February 2010

Michael joined Green Invest in April 2009 as Chief Financial Officer after an extensive 20 plus year career in senior management roles primarily within the financial services industry. Michael was also a partner in an accounting practice and financial services business which included a funds management and advisory services.

Michael holds an MBA and Bachelor of Commerce majoring in accounting and is also a member of CPA Australia.

## 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
Peter McCoy	11	11	2	2	1	1
Ron Lunt	11	11	2	2	1	1
Giovanni Filippo	8	8	2	2	1	1
Ken Edwards	3	3	-	-	-	-

\* - These committee meetings are undertaken by the full Board of Directors.

## 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)	Options over Ordinary Shares (Indirect)
Peter McCoy	2,229,733	884,833	2,229,733	884,833
Ronald Lunt	9,409,026	12,000	2,977,916	-
Giovanni Filippo	69,400	-	69,400	-

## Directors' Report (continued)

### 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 on page 30.

### 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. No non-audit services were provided by the auditors of the Consolidated Entity during the year, namely PKF. The Company's former auditors (Pitcher Partners) provided non-audit services for the year ended 30 June 2009, which are detailed below. The Directors are satisfied that the provision of the non-audit services during the year ended 30<sup>th</sup> June 2009 by the former auditor was compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

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

Non-Audit Services	Consolidated	
	2010 (\$)	2009 (\$)
Tax and compliance services *	-	94,052
Other assurance services	-	15,845
<b>Total</b>	<b>-</b>	<b>109,897</b>

\* Provided by the Company's former auditor Pitcher Partners

### REMUNERATION REPORT (Audited)

This report outlines the remuneration arrangements in place for Directors and executives of Green Invest Limited.

#### Remuneration Philosophy

The performance of the Company depends upon the quality of its Directors and executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and executives.

To that end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Focus on creating sustained shareholder value;
- A portion of executive remuneration is at risk, dependent upon meeting predetermined performance benchmarks; and
- Differentiation of individual rewards commensurate with contribution to overall results and according to individual accountability, performance and potential.

The Remuneration Committee is responsible for determining and reviewing compensation arrangements for the Directors, and the senior management team. The committee assesses the appropriateness of the nature and amount of remuneration of Directors and senior managers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

#### Remuneration Structure

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

## Director's Report (continued)

### REMUNERATION REPORT (Audited) (continued)

#### Non-Executive Director Remuneration

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

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the non executive Directors as agreed. The current approved aggregate remuneration is \$300,000.

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

Each director receives a fee for being a director of the Company.

#### Senior Management And Executive Director Remuneration

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

- Reward executives for performance against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those of shareholders;
- Link reward with the strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

The executive remuneration program is designed to support the Company's reward philosophies and to underpin the Company's growth strategy. The program comprises the following components:

- Fixed remuneration component; and
- Variable remuneration component including short term incentives and long term incentives.

##### *Fixed Remuneration*

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

##### *Variable Remuneration – Short Term Incentive (STI)*

The objective of the STI program is to link the achievement of the Company's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the Company is reasonable. On a quarterly basis, after consideration of performance against KPIs, the Board approves an overall performance rating for the Company. The individual performance of each executive is also rated and taken into account when determining the amount, if any, of the short term incentive pool allocated to each executive. The aggregate of annual STI payments available for executives across the Company are usually delivered in the form of a cash bonus. No cash bonuses were paid during the 2010 year (2009: nil) (Other than those paid to brokers of NGES as part of their standard remuneration packages which is industry standard).

##### *Variable Remuneration - Long Term Incentive (LTI)*

The objective of the LTI plan is to reward senior managers in a manner, which aligns this element of remuneration with the creation of shareholder wealth. As such, LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Company's performance against relevant long term performance hurdles. LTI grants to executives are delivered in the form of options or shares.

## Director's Report (continued)

### REMUNERATION REPORT (Audited) (continued)

#### Contract Of Employment

There is no formal contract of employment for the executives of the Company. Whilst there is no formal contract of employment, standard employment conditions apply, other than for Mr Michael Kirby, whose services are retained under a services arrangement.

#### Relationship Between Remuneration Policy And Company Performance

Remuneration paid to key management personnel (KMP) has been set at a level to attract and retain appropriately skilled persons. All executive Directors and KMP receive a base salary, superannuation and fringe benefits. Performance based bonuses are not currently paid by the Group to Directors and KMP, other than to Mr Christopher Reeves. Options issued to Directors have been granted in consideration of their efforts in relation to the management of the Group's affairs and in driving the continuing performance of the Group. As previously mentioned, during the year 4,392,216 options were issued (2009: nil) to the Directors in this respect; however these options, at the date of this report, have yet to be issued but have been included in the determination of the Directors remuneration.

The overall level of KMP's compensation takes into account the performance of the Consolidated Entity since listing on the ASX. As a result, the level of compensation has not increased since listing but has reduced significantly due to the reduction in the number of KMP employed over these periods. The remuneration for executive Directors and KMP is currently not linked to the Consolidated Entity's financial performance or share price.

#### Details of Remuneration

The KMP of Green Invest Limited includes the Directors and other key management personnel of the entity as follows:

Mr Peter McCoy	Non-Executive Chairman (from 16 March 2009)
Mr Ronald Lunt	Executive Director (from 16 February 2009)
Mr Giovanni Filippo	Non-Executive Director (from 18 December 2009)
Mr Ken Edwards	Executive Director (from 30 November 2007 and ceased 19 November 2009)
Mr Michael Kirby	Chief Financial Officer and Company Secretary (from 22 April 2009)
Mr Christopher Reeve	General Manager Global Financial Services (from 1 July 2009)

There are no other KMP other than those disclosed above.

2010 Directors	Short Term Benefits			Post Employment	Share Based Payments ***	Share Based Payments ***	Total	Performance Related	
	Salary & Fees (\$)	Cash bonus (\$)	Non-monetary (\$)	Super-annuation (\$)	Shares (\$)	Options (\$)		Bonus %	Shares %
Ronald Lunt	164,031	-	-	-	125,585	25,117	314,733	-	-
Peter McCoy	45,000	-	-	-	133,784	26,757	205,541	-	-
Giovanni Filippo *	12,500	-	-	-	4,164	833	17,497	-	-
Ken Edwards **	248,817	-	-	14,995	-	-	263,812	-	-
<b>Total</b>	<b>470,348</b>	<b>-</b>	<b>-</b>	<b>14,995</b>	<b>263,533</b>	<b>52,707</b>	<b>801,583</b>	<b>-</b>	<b>-</b>

\* Giovanni Filippo was appointed during 2010 Financial Year. He did not receive any remuneration during the 2009 financial year.

\*\* Ken Edwards ceased as a director on 26<sup>th</sup> November 2009 and his employment was terminated in June 2010.

\*\*\* Shares and options have been granted to Directors during the year in lieu of cash payments. These shares and option grants are in satisfaction of services provided to the Company by the Directors up to April 2010 and are not performance related incentives..

## Director's Report (continued)

### REMUNERATION REPORT (Audited) (continued)

2009 Directors	Short Term Benefits			Post Employment	Share Based Payments	Total	Performance Related	
	Salary & Fees (\$)	Cash bonus (\$)	Non-monetary (\$)	Super-annuation (\$)	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>	<b>-</b>	<b>-</b>

\* Appointed during the 2009 year.

\*\* Resigned during the 2009 year.

\*\*\* The cash bonus and option granted to Mr Ken Edwards were made at the discretion of the Board of Directors to attract and retain appropriately skilled persons.

2010 Executives	Short Term Benefits			Post Employment	Share Based Payments	Total	Performance Related	
	Salary & Fees (\$)	Cash bonus (\$)	Non-monetary (\$)	Super-annuation (\$)	Shares/options (\$)		Bonus %	Shares %
Michael Kirby*	142,517	-	-	-	-	142,517	-	-
Chris Reeve+	115,385	-	-	10,385	-	125,770	-	-
<b>Total</b>	<b>257,902</b>	<b>-</b>	<b>-</b>	<b>10,385</b>	<b>-</b>	<b>268,287</b>	<b>-</b>	<b>-</b>

\* Michael Kirby is a consultant to the Group and is paid consulting fees.

+ Chris Reeve was appointed to his position effective 1<sup>st</sup> July 2009, prior to that he was working as a consultant to the business. 2009 comparative information is not applicable.

2009 Executives	Short Term Benefits			Post Employment	Share Based Payments	Total	Performance Related	
	Salary & Fees (\$)	Cash bonus (\$)	Non-monetary (\$)	Super-annuation (\$)	Shares/options (\$)		Bonus %	Shares %
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>	<b>-</b>	<b>-</b>

+ Michael Kirby was appointed on 22 April 2009.

^ Sophie Karzis resigned as Company Secretary on 1 April 2009 and Stephen Munday resigned as Chief Financial Officer on 30 April 2009.

## Director's Report (continued)

### REMUNERATION REPORT (Audited) (continued)

Compensation by Category	Consolidated Entity	
	2010	2009
Short-term employment benefits	\$ 728,250	\$ 852,989
Post employment benefits	25,380	43,045
Share and option based payments	316,240	15,296
<b>Total</b>	<b>1,069,870</b>	<b>911,330</b>

### Terms of Employment Contracts

There is no contract of employment with the Executive Director, Mr Ronald Lunt (refer to comments made under Contract of Employment). Other key management personnel are employed on standard employment conditions in the case of employees and as previously stated, Mr Michael Kirby, services are retained under a consulting services arrangement.

### Directors' and Executives' Equity Holdings

#### Compensation Options: Granted and vested during the year on issue

2010 Directors	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	2,093,083	2,093,083	3/5/2010	\$0.012	\$0.10	31/12/2011	3/5/2010	31/12/2011
Peter McCoy	2,229,733	2,229,733	3/5/2010	\$0.012	\$0.10	31/12/2011	3/5/2010	31/12/2011
Giovanni Filippo *	69,400	69,400	3/5/2010	\$0.012	\$0.10	31/12/2011	3/5/2010	31/12/2011
	<b>4,392,216</b>	<b>4,392,216</b>						

\* Giovanni Filippo was appointed during the 2010 financial year therefore the 2009 comparatives are not applicable.

The fair value of the options granted to Directors is disclosed in Note 25 to the financial statements.

As previously stated, whilst the Directors have been granted the above options, these have not, at balance date, nor at the date of this report, been issued and allotted, but have nonetheless been taken into account in determining director's remuneration for the 2010 financial year.

2009 Directors	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	24/12/2013
Ian McMillan ^	-	1,750,000	24/12/2008	\$0.09	\$0.60	16/03/2009	24/12/2008	16/03/2009
David Galbally ^	-	1,500,000	24/12/2008	\$0.09	\$0.60	16/03/2009	24/12/2008	16/03/2009
Andrew Bonwick	-	-	-	-	-	-	-	-
Ray Herbert	-	-	-	-	-	-	-	-
Richard Jarmal David	-	-	-	-	-	-	-	-
Adrian Pratt ^	-	150,000	24/12/2008	\$0.09	\$0.60	16/03/2009	24/12/2008	16/03/2009
	-	<b>3,900,000</b>						

^ Ian McMillan, David Galbally and Adrian Pratt resigned as Directors on 16 March 2009 and their options lapsed in the prior financial year upon their resignation date.

\* Ken Edwards options have also lapsed upon his resignation on 26<sup>th</sup> November 2009

## Director's Report (continued)

### REMUNERATION REPORT (Audited) (continued)

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

##### Executives

No executives were granted options during the 2009 and 2010 financial years except to Mr Stephen Munday. 1,500,000 options were granted during the 2009 year to Mr Munday but expired upon his resignation on 30 April 2009.

##### Value of Options Awarded, Exercised and Lapsed During the Year

KMP	Value of Options Granted During the Year	Value of Options Exercised During the Year	Value of Options Lapsed During the Year	Remuneration consisting of options for the year
Ronald Lunt	25,117	-	-	8.0%
Peter McCoy	26,757	-	-	13.0%
Giovanni Filippo	833	-	-	4.8%
Ken Edwards ^	-	-	15,296	-
	52,707	-	15,296	

^ 500,000 options issued to Mr Ken Edwards lapsed on his resignation on 26 November 2009. The value of the lapsed options was \$15,296.

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

There have no alterations to the terms and conditions of options awarded as remuneration since their award date.

##### Shares Issues to Directors

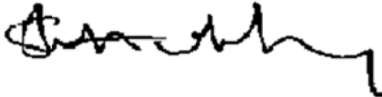
As detailed on page 25, fully paid ordinary shares were granted to Mr Ronald Lunt, Mr Peter McCoy and Mr Giovanni Filippo at a general meeting of shareholders on the 3<sup>rd</sup> May 2010. These shares and option grants are in satisfaction of services provided to the Company by the Directors up to April 2010 and are not performance related incentives. The fair value of shares issued was determined by the ASX share price on the date of grant. At the date of this report the shares granted have not yet been issued.

2010 Directors	Shares (No of Shares)	Shares (\$)	Remuneration consisting of shares issued for the year
Ronald Lunt	2,093,083	125,585	40%
Peter McCoy	2,229,733	133,784	65%
Giovanni Filippo	69,400	4,164	24%
<b>Total</b>	<b>4,392,216</b>	<b>263,533</b>	

# Directors' Report (continued)

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  
21 October 2010

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Chartered Accountants  
& Business Advisers

### AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Green Invest Limited for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Green Invest Limited and the entities it controlled during the year.

**D J Garvey**  
Partner  
PKF

21 October 2010  
Melbourne

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***green invest***

Investing in Sustainability

GREEN INVEST LIMITED  
AND CONTROLLED ENTITIES

FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2010

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GREEN INVEST LIMITED AND CONTROLLED ENTITIES  
ABN 49 119 031 462

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 \$	2009 (Restated) \$
Revenue	4	4,707,324	3,513,784
Other Income	4	216,960	70,948
		<u>4,924,284</u>	<u>3,584,732</u>
Cost of services	5	(332,601)	(130,482)
Employee benefits expense	5	(3,362,717)	(3,459,251)
Professional fees		(161,486)	(488,122)
Depreciation expenses	5	(97,723)	(105,066)
Occupancy expenses		(220,620)	(215,328)
Administrative expenses		(412,842)	(731,074)
Travel expenses		(153,894)	(114,003)
Consulting expenses		(413,530)	(443,939)
Finance costs	5	(166,767)	(131,551)
Impairment losses	5	-	(1,264,636)
Other expenses		(315,347)	(211,146)
		<u>(5,637,527)</u>	<u>(7,294,598)</u>
<b>Loss before income tax</b>		(713,243)	(3,709,866)
Income tax benefit	6	120,183	-
<b>Loss from continuing operations</b>		<u>(593,060)</u>	<u>(3,709,866)</u>
<b>Other comprehensive income, net of tax</b>		-	-
<b>Total comprehensive income for the year</b>		<u>(593,060)</u>	<u>(3,709,866)</u>
Loss from continuing operations attributable to the members of Green Invest Limited		(593,060)	(3,709,866)
<b>Total comprehensive income for the year attributable to the members of Green Invest Limited</b>		<u>(593,060)</u>	<u>(3,709,866)</u>
Basic earnings per share	23	(\$0.02)	(\$0.11)
Diluted earnings per share	23	(\$0.02)	(\$0.11)

The accompanying notes form part of these financial statements.

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**GREEN INVEST LIMITED AND CONTROLLED ENTITIES**  
**ABN 49 119 031 462**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2010**

	Notes	2010 \$	2009 (Restated) \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	649,076	471,595
Trade and other receivables	8	946,235	605,067
Tax receivable	6	186,304	-
Other assets	9	486,130	410,802
<b>TOTAL CURRENT ASSETS</b>		<b>2,267,745</b>	<b>1,487,464</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	10	226,583	265,486
Intangible assets	11	4,148,106	3,878,070
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,374,689</b>	<b>4,143,556</b>
<b>TOTAL ASSETS</b>		<b>6,642,434</b>	<b>5,631,020</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	1,872,395	1,698,130
Provisions	13	494,434	52,430
Interest bearing liabilities	14	660,452	731,193
Other	15	111,579	82,300
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,138,860</b>	<b>2,564,053</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	13	16,630	9,498
Other	15	15,000	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>31,630</b>	<b>9,498</b>
<b>TOTAL LIABILITIES</b>		<b>3,170,490</b>	<b>2,573,551</b>
<b>NET ASSETS</b>		<b>3,471,944</b>	<b>3,057,469</b>
<b>EQUITY</b>			
Contributed equity	16	9,303,273	8,335,899
Reserve	17	55,457	15,296
Accumulated losses	18	(5,886,786)	(5,293,726)
<b>TOTAL EQUITY</b>		<b>3,471,944</b>	<b>3,057,469</b>

The accompanying notes form part of these financial statements.

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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 2010**

	Note	30 June 2010			Total
		Ordinary Shares	Share Option Reserve	Retained Earning	
Opening Balance		8,335,899	15,296	(5,293,726)	3,057,469
Total Comprehensive Income for the year		-	-	(593,060)	(593,060)
		<b>8,335,899</b>	<b>15,296</b>	<b>(5,886,786)</b>	<b>2,464,409</b>
Transactions with owners in their capacity as owners					
Shares issued (Refer Note 16)		779,248	-	-	779,248
Transaction Costs on share issue		(75,407)	-	-	(75,407)
Employee options lapsed			(15,296)	-	(15,296)
Employee share based payment		263,533	55,457	-	318,990
<b>Closing Balance</b>		<b>9,303,273</b>	<b>55,457</b>	<b>(5,886,786)</b>	<b>3,471,944</b>

	Note	30 June 2009 (Restated)			Total
		Ordinary Shares	Share Option Reserve	Retained Earning	
Opening Balance		7,365,439	-	(1,583,860)	5,781,579
Total Comprehensive income for the year as reported In the 2009 financial statements		-	-	(2,970,560)	(2,970,560)
Correction of errors	21			(739,306)	(739,306)
Restated Total Comprehensive Income for the year		-	-	(3,709,866)	(3,709,866)
		<b>7,365,439</b>	<b>-</b>	<b>(5,293,726)</b>	<b>2,071,713</b>
Transactions with owners in their capacity as owners					
Shares issued		1,000,000	-	-	1,000,000
Transaction Costs on share issue		(29,540)	-	-	(29,540)
Employee share based payment		-	15,296	-	15,296
<b>Closing Balance</b>		<b>8,335,899</b>	<b>15,296</b>	<b>(5,293,726)</b>	<b>3,057,469</b>

The accompanying notes form part of these financial statements.

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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 2010

	Notes	2010 \$	2009 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers		4,483,338	5,404,662
Payments to suppliers and employees		(4,421,603)	(7,308,224)
Interest received		4,449	17,759
Borrowing costs		(137,508)	(131,551)
Income tax paid		-	(185,840)
<b>Net cash used in operating activities</b>	19(a)	<b>(71,324)</b>	<b>(2,203,194)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payments for plant and equipment		(58,820)	(88,248)
Payments for intangible assets		(270,036)	(20,000)
<b>Net cash used in investing activities</b>		<b>(328,856)</b>	<b>(108,248)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from share issue		673,068	500,000
Capital raising costs		(75,407)	(29,540)
Proceeds from borrowings		30,000	731,193
Repayment of borrowings		(50,000)	-
<b>Net cash provided by financing activities</b>		<b>577,661</b>	<b>1,201,653</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>177,481</b>	<b>(1,109,789)</b>
Cash and cash equivalents at beginning of year		471,595	1,581,384
<b>Cash and cash equivalents at end of the year</b>	19(b)	<b>649,076</b>	<b>471,595</b>

The accompanying notes form part of these financial statements.

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## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are general purpose financial statements that have 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 statements cover Green Invest Limited and its controlled entities ("Consolidated Entity"). Green Invest Limited is a Company limited by shares, incorporated and domiciled in Australia. The presentation currency is Australian Dollars. Green Invest Limited is the parent entity.

The principal activities of the Company are set out on page 18 of the financial report.

Separate financial statements for Green Invest Limited as an individual entity are no longer prescribed as a consequence of a change in the Corporations Act 2001, however limited financial information for Green Invest Limited as an individual entity is included in Note 20.

#### Basis of preparation of the financial statements

##### *Compliance with IFRS*

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with Australian equivalent International Financial Reporting Standards ensures the Consolidated Entity's financial statements are in compliance with International Financial Reporting Standards (IFRSs).

##### *Historical Cost Convention*

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

The financial statements were 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 statements. The accounting policies have been consistently applied, unless otherwise stated.

#### a) Going Concern

For the year ended 30 June 2010 the consolidated entity (group) has incurred a loss of \$593,060 (2009: \$3,709,866 loss) and negative cash outflows from operating activities of \$71,324 (2009: outflow \$2,203,194). In addition, as at 30 June 2010, the consolidated entity has a deficiency of working capital of \$871,115 and a net tangible asset deficiency of \$676,162. These conditions indicate a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern.

The ability of the consolidated entity to continue as a going concern is dependent upon a number of factors, one being the continuation and availability of funds. The financial statements have been prepared on the basis that the consolidated entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and the settlement of liabilities in the normal course of business. To this end, the consolidated entity is expecting to fund ongoing obligations as follows:

- On 29 September 2010, the company announced that it had entered into agreements to form an incorporated Joint Venture, which under the business of Next Generation Energy Solutions Pty Ltd will be sold to Envex Services, which is a subsidiary of Climate Change Products Pty Ltd, trading as Envex. Once the sale is completed Envex Services will be held 49% by Green Invest Limited and 51% by Climate Change Products Pty Ltd. Under the transaction, Green Invest Limited is selling 51% of its interest in the Nextgen business for \$2 million and retaining a 49% interest. The transaction also provides for future sales of Green Invest Limited's remaining interest in the incorporated joint venture to Climate Change Products Pty Ltd upon certain company milestones being achieved. The transaction is expected in late October 2010, which will immediately provide the company with the \$2 million cash consideration.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- The company has agreed payment arrangements with significant creditors totaling approximately \$580,000, to repay outstanding debts over the next twelve months. These creditors are included in current accounts payable at 30 June 2010.
- Included within current liabilities are convertible note liabilities of \$660,797. The company is expecting to settle the convertible note liabilities from the consideration received on sale of the 51% interest in the business of Next Generation Energy Solutions Pty Ltd.
- The Company has continued with its cost reduction program in its operations in the current 2011 financial year. This cost cutting program in the 2010 year resulted in savings of \$1.3 million across the Group.
- At the date of this report the Group has signed a number of commercial contracts. A material contract for the provision of services has been signed with Scouts Australia NSW.
- Profit and cash flow projections for 2011 disclose positive outcomes after inclusion of the \$2 million proceeds from the sale of the Nextgen business.
- The Directors will continue to explore opportunities of raising additional equity funding.

Cash flow forecasts have been prepared by management that demonstrate that the consolidated entity has sufficient cash flows to meet its operating commitments over the next twelve months based on the above factors, and for that reason the financial statements have been prepared on the basis that the consolidated entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and the settlement of liabilities in the normal course of business.

Should the consolidated entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the consolidated entity not continue as a going concern.

#### b) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Green Invest Limited at the end of the reporting period. A Controlled entity is any entity over which Green Invest Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 26(a) to the financial statements.

In preparing the consolidated financial statements, all inter-Group balances and transactions between entities in the consolidated Group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

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

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

#### e) 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:

	2010	2009
Office equipment:	4- 5 years	4- 5 years
Furniture, fixtures and fittings:	5 years	5 years
Software:	3 years	3 years

#### f) Leases

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

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

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

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

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

#### g) Intangibles

##### **Goodwill**

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

- (i) the consideration transferred;
  - (ii) any non-controlling interest; and
  - (iii) the acquisition date fair value of any previously held equity interest,
- over the acquisition date fair value of net identifiable assets acquired.

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

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Goodwill is tested for impairment annually and is allocated to the Group's cash generating units or Groups of cash generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

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

#### Trademarks

Trademarks represents the amortised value of the trademarks. Trademarks have not been amortised this year due to the date of their acquisition. They will be amortised in future financial years on a straight line basis over a ten year period.

#### h) Impairment of assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

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

#### i) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

#### j) Goods and Services Tax (GST)

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

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

#### k) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

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

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

Green Invest Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated Group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity.

#### **l) 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 fair value of the options at grant date. The fair value of options at grant date is determined using a Black-Scholes option pricing model.

#### **m) Financial Instruments**

##### ***Recognition and initial measurement Subset***

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Classification and subsequent measurement*

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as:

- a. the amount at which the financial asset or financial liability is measured at initial recognition;
- b. less principal repayments;
- c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- d. less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

#### i. *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

#### ii. *Loans and receivables*

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

#### iii. *Held-to-maturity investments*

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

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets.)

If during the period the Group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

#### iv. *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

#### v. *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Fair value

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

#### Impairment

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

#### n) 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.

#### o) Comparatives

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

#### p) New Accounting Standards and Interpretations

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

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

#### **AASB 8: Operating Segments**

In February 2007 the Australian Accounting Standards Board issued AASB 8 which replaced AASB 114: Segment Reporting. As a result, some of the required operating segment disclosures have changed with the addition of a possible impact on the impairment testing of goodwill allocated to the cash generating units (CGUs) of the entity. Below is an overview of the key changes and the impact on the Group's financial statements.

##### *Measurement impact*

Identification and measurement of segments — AASB 8 requires the 'management approach' to the identification measurement and disclosure of operating segments. The 'management approach' requires that operating segments be identified on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker, for the purpose of allocating resources and assessing performance. This could also include the identification of operating segments which sell primarily or exclusively to other internal operating segments. Under AASB 114, segments were identified by business and geographical areas, and only segments deriving revenue from external sources were considered.

The adoption of the 'management approach' to segment reporting has resulted in the identification of reportable segments largely consistent with the prior year.

Under AASB 8, operating segments are determined based on management reports using the 'management approach', whereas under AASB 114 financial results of such segments were recognised and measured in accordance with Australian Accounting Standards. This has resulted in changes to the presentation of segment results, with inter-segment sales and expenses such as depreciation and impairment now being reported for each segment rather than in aggregate for total Group operations, as this is how they are reviewed by the chief operating decision maker.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Impairment testing of the segment's goodwill*

AASB 136: Impairment of Assets, paragraph 80 requires that goodwill acquired in a business combination shall be allocated to each of the acquirer's Cash Generating Units (CGUs), or Group of CGUs that are expected to benefit from the synergies of the combination. Each CGU which the goodwill is allocated to must represent the lowest level within the entity at which goodwill is monitored, however it cannot be larger than an operating segment. Therefore, due to the changes in the identification of segments, there is a risk that goodwill previously allocated to a CGU which was part of a larger segment could now be allocated across multiple segments if a segment had to be split as a result of changes to AASB 8.

Management have considered the requirements of AASB 136 and determined the implementation of AASB 8 has not impacted the CGUs of each operating segment.

#### *Disclosure impact*

AASB 8 requires a number of additional quantitative and qualitative disclosures, not previously required under AASB 114, where such information is utilised by the chief operating decision maker. This information is now disclosed as part of the financial statements.

#### **AASB 101: Presentation of Financial Statements**

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Group's financial statements.

#### *Disclosure impact*

Terminology changes — the revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — the revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — the revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Group's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

#### **New Accounting Standards for Application in Future Periods**

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

- AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Group has not yet determined the potential impact on the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
  - the objective of the entity's business model for managing the financial assets; and
  - the characteristics of the contractual cash flows.
- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011). This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Group.
- AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.

- AASB 2009-8: Amendments to Australian Accounting Standards — Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

These amendments clarify the accounting for Group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Group.

- AASB 2009-9: Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the Group.

- AASB 2009-10: Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Group.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).
- This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB.
- AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010). This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Group.
- AASB 2009-14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan. The Group does not pay into any defined pension plans therefore this change will not affect the Group.

- AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).

This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Group.

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

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying value of assets and liabilities that are not readily apparent from other sources.

Management has identified impairment testing of goodwill as a critical accounting estimate. Management does not consider there to be any other significant estimates or assumptions made or significant accounting judgments.

#### **In relation to Impairment Testing of Goodwill on Consolidation**

The Consolidated Entity has recognised goodwill on consolidation for the following Cash Generating Units (CGU), being Next Generation Energy Solutions Pty Ltd of \$3,878,070

The above CGU goodwill amount has been tested for impairment in accordance with AASB 136 "Impairment of Assets" as at 30 June 2010. The Board is of the opinion that there is no impairment of goodwill as at 30 June 2010. It is noted that an impairment charge was recorded by the Company for the 30 June 2009 financial year in relation to Next Generation Energy Solutions Pty Ltd and Green Plumbers Global Corporation Pty Ltd.

#### **Change in Cash Generating Units**

When Green Invest Limited prepared its financial report for the 30 June 2009 financial year, the Company had identified two additional CGU's, being Sustainable Footprint Pty Ltd and Green Plumbers Corporation Pty Ltd.

In the current year, the Company reviewed its accounting treatment for the acquisition of Sustainable Footprint Pty Ltd which resulted in recognition of goodwill of \$260,000 in a prior period. The Company has formed its the view that recognition of goodwill on acquisition of Sustainable Footprint Pty Ltd was an error and has consequently revised prior year accounting treatment for this matter. Refer to Note 21 for further information.

In addition, the Company has reviewed the basis of the impairment testing undertaken as at 30 June 2009 for Green Plumber Corporation Pty Ltd and has concluded that there was a number of errors in relation to the preparation of the impairment testing model for this CGU as at 30 June 2009. Accordingly, the Company has concluded that the goodwill associated with this CGU should have been impaired to Nil as at 30 June 2009 and has adjusted for this error in preparing the 30 June 2010 financial statements. Refer to Note 21 for further information.

#### **Discount Rate**

The Next Generation CGU has been tested for impairment based on projected cash flows approved by the Board of Directors 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 cash flow forecast was based on the pre-tax risk adjusted discount rate of 15%. This is an increase on the prior year pre-tax risk adjusted discount rate of 13.21%. The discount rate is derived using the capital asset pricing model by estimating the Company's weighted average cost of capital with appropriate adjustments for cost of equity, risk free rate of interest, market risk premium and the beta of Green Invest Limited.

#### **Key assumptions in relation to Next Generation Energy Solutions Pty Ltd's projected cash flows:**

The recoverable amounts of the Company's CGU are based on a number of assumptions as detailed below and the aggregate carrying amount of goodwill allocated to these units are provided below.

#### *Key Assumptions*

The value in use calculations adopt cash flow projections based on past operating results and budgets approved by the Board of Directors for the 30 June 2011 financial year which incorporates budgeted results for the twelve months ended 30 June 2011 extended over a further five year period. Key assumptions in the cash flows are set out below.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

The cash flow projections incorporate a forecast annual growth in expenses after the period ended 30 June 2011 (which is the base year for formulating of the forecasts) of 3% per annum. The Company has budgeted its revenue for the financial year ending 30 June 2011 based on an increase over the actual revenue for the 30 June 2010 financial year. Thereafter, the Company has forecast annual increases in revenue for the following financial years of 9 percent to 15 percent depending on the financial year and expected enactment of Government legislation at the time. Whilst these growth rates are considerable, the Board is confident that the Company can achieve the forecast growth rates for the reasons set out below.

Forecast growth in revenue cash flows have been projected based on the increased business expected to result from trading in the renewable energy certificate (REC) market in Australia, which is its major business activity. The REC market and the requirement for certain companies to acquire REC's are legislated by the Federal Government's Renewal Energy Electricity Act 2000 ("the Act"). The Act has legislated annual growth rates for REC's of 9% to 15% over the next 5 years depending on the financial year. It is this legislation that the Company has used to base its forecast revenue growth.

The Company also expects to generate revenue and growth from other sources including international brokerage, conferences, memberships and other derivative markets which are not included in the forecasts.

However, the Company had excluded from its forecasts any revenue that maybe generated in the future from a Federal Government's Carbon Pollution Reduction Scheme (CPRS).

The projections also do not include any revenues 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.

#### *Sensitivity to Key Assumptions*

In assessing the impact of possible changes in key assumptions applied to test the carrying value of goodwill allocated to the CGU, in the opinion of the Directors, no reasonable change in the underlying cash flow assumptions would have an impact on the fair value of the CGU as the present value of the future cash flow is considerable above the carrying value of goodwill.

#### *Events Subsequent to Balance Date*

On the 29 September 2010, the Company announced that it had entered into an agreement to form an incorporated joint venture, under which the business of Next Generation Energy Solutions Pty Ltd will be sold to Envex Services, which is a subsidiary of Climate Change Products Pty Ltd trading as Envex. Once the sale is completed, Envex Services will be held 49% by Green Invest Limited and 51% by Climate Change Products Pty Ltd. Under the transaction, Green Invest Limited is selling 51% of its interest in the Nextgen business for \$2 million and retaining a 49% interest. The transaction also provides for future sales of Green Invest Limited's remaining interest in the incorporated joint venture to Climate Change Products Pty Ltd upon certain milestones being achieved. The consideration payable for the Company's interest in the business of Next Generation Energy Solutions Pty Ltd supports the recoverable value of goodwill as at 30 June 2010 adopting a fair value less costs to sell approach.

### 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, which results in liquidity risk and credit risks. The Group has no material exposure to currency risk or equity price risk.

#### **Market risk**

The Group's exposure to general market risk relates to the many factors that can influence the markets in which it participates such as government policy, technological change and retail sentiment. The Group has moved to minimise this risk through a number of actions:

1. Diversification in products and services
2. Diversification of geographic regions
3. Providing a closed end service solution unique to the market, making competitor entry difficult.

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3: FINANCIAL RISK MANAGEMENT (continued)**

**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 balances of the cash and convertible notes are disclosed at notes 7 and 14 respectively.

Cash on deposit attracts a weighted average effective interest rate of 0.11% (2009 3.70%) at year end and convertible notes and attract a fixed 12% interest. Interest is accumulated with the principal amount quarterly in arrears payment.

**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 statement of financial position 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, current activities and planned future initiatives. Historically, the Group has financed its operations from capital raisings and convertible note loans and cash flows from operations. The Group will continue to seek to raise money from capital raisings in the future and utilise cash flows from the partial disposal of its Nextgen business to assist with current working capital requirements, debt repayment program 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.

Year ended 30 June 2010	< 6 Months \$	6 – 12 months \$	Total contractual cash flows \$	Carrying amount \$
Cash and cash equivalents	649,076	-	649,076	649,076
Trade and other receivables	946,235	-	946,235	946,235
Trade and other payables **	(1,872,395)	-	-	(1,872,395)
Interest Bearing liabilities *	(660,452)	-	(660,452)	(660,452)
<b>Net maturities</b>	<b>(937,536)</b>	<b>-</b>	<b>934,859</b>	<b>(937,536)</b>

\* The Interest Bearing Liabilities consist of Series A and Series B Convertible Notes. These notes were due to mature at various dates but the note holders have consented to extend the notes to 3 December 2010. It is the intention of the Board to repay these notes prior to that date.

\*\* Accounts payable are due within normal payments terms of 30 to 60 days other than where the company has entered into a repayment plan for certain liabilities to the Australian Taxation Office. All accounts payable due within six months.

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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	Floating interest rate		Fixed interest rate maturing in:						Non-interest bearing		Total carrying amount as per Balance Sheet		Weighted average effective interest rate	
			1 year or less		Over 1 to 5 years		More than 5 years							
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
<i>(i) Financial assets</i>														
Cash	649,076	454,091	-	17,504	-	-	-	-	-	-	649,076	471,595	0.11	3.70
Trade and other receivables	-	-	-	-	-	-	-	-	946,235	605,067	946,235	605,067	-	-
<b>Total financial assets</b>	<b>649,076</b>	<b>454,091</b>	<b>-</b>	<b>17,504</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>946,235</b>	<b>605,067</b>	<b>1,595,311</b>	<b>1,076,662</b>		
<i>(ii) Financial liabilities</i>														
Trade and other creditors	-	-	-	-	-	-	-	-	1,872,395	1,698,130	1,872,395	1,698,130	-	-
Interest bearing liabilities	-	-	660,452	731,913	-	-	-	-	-	-	660,452	731,913	12.00	12.00
Other liabilities	-	-	-	-	-	-	-	-	126,579	82,300	126,579	82,300	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>660,452</b>	<b>731,913</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,998,974</b>	<b>1,780,430</b>	<b>2,659,426</b>	<b>2,512,343</b>		

i. Fair values

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

Risk exposures and responses  
Interest rate risk

The Group constantly analyses its interest rate exposure. Within this analysis, consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

The Group's exposure to variable interest rates is solely in respect to its cash balances as its only interest rate liability is in respect of convertible notes which are based on a fixed rate of interest. In the opinion of the Directors, no reasonable change in variable interest rates would have a material effect upon the Group's profit and cash flows.

	Notes	2010 \$	2009 (restated) \$
<b>NOTE 4: REVENUE</b>			
<b>Revenues from continuing operations</b>			
Revenue from services		4,707,324	3,513,784
		<u>4,707,324</u>	<u>3,513,784</u>
<i>Other Income</i>			
Interest – related parties		4,449	17,759
Sundry revenue			
Licencee fees		49,985	53,189
Recovery of costs		136,246	-
Other income		26,280	-
		<u>212,511</u>	<u>53,189</u>
		<u>216,960</u>	<u>70,948</u>
		<u><b>4,924,284</b></u>	<u><b>3,584,732</b></u>

**NOTE 5: LOSS FROM CONTINUING OPERATIONS**

Loss from continuing operations before income tax has been determined after the following specific expenses:

Cost of services		332,601	130,482
		<u>332,601</u>	<u>130,482</u>
Employee benefits expense			
Share-based payments (shares and options)		316,240	15,296
Other employee benefits		3,046,477	3,443,955
Employee benefits expense		<u>3,362,717</u>	<u>3,459,251</u>
Depreciation of non-current assets			
Office equipment	10a	54,755	88,112
Furniture, fixtures and fittings	10a	2,769	16,954
Software	10a	40,199	-
Total depreciation of non-current assets		<u>97,723</u>	<u>105,066</u>
Finance costs expensed			
Guarantee fee		50,000	-
Interest and charges		116,767	131,551
Total finance costs expensed		<u>166,767</u>	<u>131,551</u>
Operating lease rentals		<u>205,584</u>	<u>204,543</u>
Movement in Provision for Impairment of Trade Receivables		<u>-</u>	<u>(32,348)</u>
Impairment Losses - Goodwill		<u>-</u>	<u>1,264,636</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

	2010	2009 (restated)
Note	\$	\$
<b>NOTE 6: INCOME TAX</b>		
<b>(a) The components of tax expense:</b>		
Current tax expense	(35,611)	-
Current year R&D tax offset	(120,183)	-
Recoupment of prior year tax losses	35,611	-
<b>Total Income tax (benefit)</b>	<b>(120,183)</b>	<b>-</b>
<b>(b) The prima facie tax, on profit/ (loss) differs from the income tax provided in the financial statements as follows:</b>		
Loss before tax from continuing operations	(713,243)	(3,709,866)
<b>Total loss before income tax</b>	<b>(713,243)</b>	<b>(3,709,866)</b>
At the statutory income tax rate of 30% (2009: 30%)	(213,973)	(1,112,960)
Tax effect of amounts which are not deductible in calculating taxable income		
Entertainment	25,240	19,212
Share based payments	(4,589)	160,589
Impairment losses recognised	-	379,390
Benefit arising from claiming R&D tax offsets - current year	(120,183)	-
Other deductible/non-deductible expenses	117,592	146,844
Deferred liabilities not brought to account	(103,770)	(4,650)
Tax losses not brought to account	179,500	411,575
	93,790	1,112,960
<b>Income tax benefit</b>	<b>(120,183)</b>	<b>-</b>
<b>(c) Current tax receivable / (payable)</b>		
Balance at the beginning of the year	66,121	(185,840)
R & D Income tax refundable	120,183	-
Tax payments	-	251,961
<b>Balance at the end of the year</b>	<b>186,304</b>	<b>66,121</b>
The Company expects to lodge an R&D tax return for the 2009 financial year to claim an additional R&D income tax refund of approximately \$198,000 which has not been recorded as an asset at 30 June 2010. When the work is performed to support a claim the company will record a tax receivable.		
<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 in Note 1(j) occur.		
Deferred tax asset - Timing differences	285,355	384,291
Deferred tax asset - Unrecognised tax losses	608,289	428,789
	<b>893,644</b>	<b>813,080</b>

The extent of tax losses available to the company has been identified above. However, a deferred tax asset in respect of tax losses has not been accounted for as an asset in the financial statements as the realisation of the benefit is not probable. In addition, the tax losses identified above may not be able to be recovered in future taxable income earnings years as the recoverability of the tax losses is dependent on the company meeting the continuity of ownership test or same business test to enable all or part of the losses to be utilised.

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NOTES TO THE FINANCIAL STATEMENTS

	Notes	2010	2009 (restated)
		\$	\$
<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			
		187,151	187,151

**NOTE 7: CASH AND CASH EQUIVALENTS**

Cash at bank		631,572	454,091
Cash on deposit		17,504	17,504
		649,076	471,595

**NOTE 8: TRADE AND OTHER RECEIVABLES**

**CURRENT**

Trade receivables		959,585	594,475
Provision for Impairment		(13,350)	(21,546)
		946,235	572,929
Other debtors (Including GST Credits)		-	28,544
Related party receivables - Directors		-	3,594
		946,235	605,067

Trade receivables ageing analysis at 30 June is:

Trade receivables are non-interest bearing and generally receivable on 30 to 60 day terms. \$13,350 (2009: \$21,546) of the balance is considered impaired. The ageing analysis is as follows:

	Gross 2010	Impairment 2010	Gross 2009	Impairment 2009
	\$	\$	\$	\$
Not past due	736,538	-	404,461	-
Past due 31-90 days	108,750	-	122,630	-
Past due more than 91 days	114,297	(13,350)	67,384	(21,546)
	959,585	(13,350)	594,475	(21,546)

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

Balance at July 1		21,546	70,548
Increase in provisions		-	-
Recovery of amounts previously provided		-	(32,348)
Amounts written off		(8,196)	(16,654)
Balance at 30 June is:		13,350	21,546

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**NOTES TO THE FINANCIAL STATEMENTS**

	Notes	2010 \$	2009 (restated) \$
<b>NOTE 9: OTHER CURRENT ASSETS</b>			
Indemnity provided*		421,788	350,000
Prepayments		31,872	52,394
Deposits		32,470	8,408
		<u>486,130</u>	<u>410,802</u>

\*The Directors and shareholders of Next Generation Energy Solutions Pty Ltd at the time of acquisition have agreed to indemnify Green Invest against any liabilities arising from the ATO, the State Revenue Office and any associated legal and professional costs incurred by the Company in relation to the acquisition of Next Generation Energy Solutions Pty Ltd. A receivable has been recorded for this indemnity which is supported by assets that are held in escrow that may be realised at the option of the Company against any liabilities arising from this acquisition.

**NOTE 10: PLANT AND EQUIPMENT**

<b>Office equipment</b>			
At cost		387,467	350,263
Accumulated depreciation		(187,231)	(132,476)
	10a	<u>200,236</u>	<u>217,787</u>
<b>Furniture, fixtures and fittings</b>			
At cost		35,806	33,258
Accumulated depreciation		(11,412)	(8,643)
	10a	<u>24,394</u>	<u>24,615</u>
<b>Software</b>			
At cost		42,152	23,084
Accumulated depreciation		(40,199)	-
	10a	<u>1,953</u>	<u>23,084</u>
<b>Total plant and equipment</b>		<u>226,583</u>	<u>265,486</u>

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NOTES TO THE FINANCIAL STATEMENTS

	Notes	2010	2009 (restated)
		\$	\$
<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 2009		217,787	281,264
Additions		37,204	53,598
Disposals		-	(1,518)
Write-offs		-	(27,445)
Depreciation expense		(54,755)	(88,112)
Carrying amount at 30 June 2010		200,236	217,787
<b>Furniture, fixtures and fittings</b>			
Carrying amount at 1 July 2009		24,615	50,127
Additions		2,548	11,566
Write-offs		-	(20,124)
Depreciation expense		(2,769)	(16,954)
Carrying amount at 30 June 2010		24,394	24,615
<b>Software</b>			
Carrying amount at 1 July 2009		23,084	-
Additions		19,068	23,084
Depreciation expense		(40,199)	-
Carrying amount at 30 June 2010		1,953	23,084
<b>Total plant and equipment</b>		<b>226,583</b>	<b>265,486</b>

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NOTES TO THE FINANCIAL STATEMENTS

	Notes	2010 \$	2009 (restated) \$
<b>NOTE 11: INTANGIBLES</b>			
Goodwill - at cost		3,878,070	3,878,070
Trademarks- at cost		270,036	-
Net carrying amount	11(a)	4,148,106	3,878,070
<b>(a) Reconciliation</b>			
Reconciliations of the carrying amounts of goodwill and trademarks at the beginning and end of the current financial year.			
Goodwill – Next Generation Energy Solutions Pty Ltd			
Opening net book amount		3,878,070	4,200,000
Impairment charge		-	(321,930)
Closing net book value		3,878,070	3,878,070
Goodwill – Global Green Plumbers Corporation Limited			
Opening net book amount		-	942,706
Impairment charge		-	(942,706)
Closing net book value		-	-
Trademarks *			
Opening net book amount		-	-
Additions		270,036	-
Closing net book value		270,036	-
Total			
Opening net book amount		3,878,070	5,142,706
Additions		270,036	-
Impairment charge		-	(1,264,636)
Closing net book value		4,148,106	3,878,070

\*Trademarks have a finite life and are amortised over a period of 10 years. Trademarks have not been amortised during this financial year due to the date of acquisition of 15 April 2010. Trademarks will be amortised in future years.

**NOTE 12 TRADE AND OTHER PAYABLES**

**CURRENT:**

Trade payables	390,751	299,375
Other payables*	1,481,644	1,398,755
	1,872,395	1,698,130

\* Included within other payables and as stated in Note 9, the Directors are aware of a potential exposure in relation to liabilities incurred upon the acquisition of Next Generation Energy Solutions Pty Ltd in November 2007. A liability due to the Australian Taxation Office and various State Revenue Offices relating to payroll and fringe benefits tax has been recognized and is estimated at \$350,000.

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NOTES TO THE FINANCIAL STATEMENTS

	Notes	
	2010	2009 (restated)
	\$	\$
<b>NOTE 13: PROVISIONS</b>		
<b>CURRENT</b>		
Employee benefits	494,434	52,430
<b>NON-CURRENT</b>		
Employee benefits	16,630	9,498
Aggregate employee benefits liability	<u>511,064</u>	<u>61,928</u>
<b>NOTE 14: INTEREST BEARING LIABILITIES</b>		
<b>CURRENT</b>		
Convertible notes* at amortised cost	<u>660,452</u>	<u>731,193</u>
<p>* Convertible Notes consist of a Series A and Series B Convertible Notes which are a current liability. It is the intention of the Board to repay these notes prior to that date from the proceeds on sale of the 51% interest in Nextgen. The carrying value of convertible notes represents fair value.</p>		
<b>NOTE 15: OTHER CURRENT LIABILITIES</b>		
<b>CURRENT</b>		
Deferred income	96,579	82,300
Non Interest Bearing Loans	15,000	-
	<u>111,579</u>	<u>82,300</u>
<b>NON-CURRENT</b>		
Non Interest Bearing Loans	15,000	-
	<u>15,000</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

	Notes	2010 \$	2009 (restated) \$
<b>NOTE 16: CONTRIBUTED EQUITY</b>			
<b>(a) Issued and paid up capital</b>			
45,517,300 (2009: 34,221,500) ordinary shares fully paid		8,933,560	8,335,899
6,161,882 ordinary shares granted but not issued		369,713	-
	16(b)	<b>9,303,273</b>	<b>8,335,899</b>

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	
	2010		2009	
	No of Shares	\$	No of Shares	\$
Beginning of the financial year	34,221,500	8,335,899	30,901,500	7,365,439
Issued and/or granted during the year	17,457,683	967,374	3,320,000	970,460
– Issue of shares for acquisition of Sustainable Footprint Pty Ltd (i)	-	-	800,000	240,000
– Other shares issued (ii)	-	-	2,000,000	500,000
– Share issued to employees (iii)	78,000	-	520,000	260,000
– Shares granted to Directors (iv)	4,392,216*	263,533	-	-
– Shares granted pursuant to underwriting (v)	1,540,500*	92,430	-	-
– Shares granted pursuant to underwriting fee (vi)	229,166*	13,750	-	-
– Share issued to GFK Investments Pty Ltd (vii)	10,000,000	600,000	-	-
– Share issued under rights issue and fixed offer (viii)	1,217,801	73,068	-	-
– Cost of issuing shares	-	(75,407)	-	(29,540)
End of the financial year	<b>51,679,183</b>	<b>9,303,273</b>	<b>34,221,500</b>	<b>8,335,899</b>

- (i) Issued as consideration for the acquisition of Sustainable Footprint Pty Ltd completed on 1 July 2008.
- (ii) Issued for private capital placement by Electrical Trade Union of 2,000,000 shares completed on 30 September 2008.
- (iii) Additional shares issued to correct shares allocated to staff upon listing as outlined in the prospectus document.
- (iv) To be issued to Directors in lieu of Directors fees as approved by shareholders 3rd May 2010.
- (v) To be issued to the underwriters of the rights issue as approved by shareholders 3rd May 2010.
- (vi) Issued in lieu of underwriting fee as approved by shareholders 3rd May 2010.
- (vii) Shares issued to GFK Investments Pty Ltd as part of a funding agreement at 6 cents per share.
- (viii) Shares issued as part of a rights issue approved at an Extraordinary General Meeting held on 3 May 2010.

As previously stated, 6,161,882 ordinary shares have been granted but not issued or allotted to Directors in lieu of a cash amount in respect of remuneration (4,392,216), in respect of the shortfall in the Rights Issue (1,540,500) and in respect of the payment of an underwriting fee (229,166).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 16: CONTRIBUTED EQUITY (Continued)

Options

The following options to subscribe for ordinary fully paid shares have been allotted and remain outstanding.

Class	Expiry Date	Exercise Price	Number of Options
Electrical Trade Union Placement Options	30 September 2011	50 cents	1,000,000
Convertible Note Holder Options	27 February 2012	25 cents	1,400,000
Option issued at IPO	28 November 2010	\$1.20	450,000
Options granted under Rights Issue	31 March 2011	10 cents	8,591,634
Options granted to Directors *	31 December 2011	10 cents	4,621,382

\* Of these, 4,329,216 options were granted to Directors as part of their remuneration, as disclosed in the Remuneration Report.

Convertible notes

The Consolidated Entity has five secured convertible note holders at balance date totalling \$660,452. These convertible notes were to mature at various times during the financial year but the note holders have agreed to extend them to 3 December 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. Interest is accumulated and paid 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 any time up until the redemption date.

(c) Capital management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital includes ordinary share capital, convertible notes and financial liabilities, supported by financial assets.

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

Management also monitor capital through the gearing ratio (net debt to total equity). At 30 June 2010 the company's only interest bearing liabilities are convertible notes which total \$660,452 (2009: \$731,193). As disclosed in Note 1(a), the company is expecting to settle the convertible note liabilities from the consideration received on sale of the 51% interest in the business of Next Generation Energy Solutions Pty Ltd.

The Group is not subject to any externally imposed capital requirements.

2010	2009 (restated)
\$	\$

NOTE 17: RESERVES

Share-based payment reserve

55,457	15,296
<b>55,457</b>	<b>15,296</b>

The reserve is used to record the value of equity benefit provided to employees and Directors as part of their remuneration.

Movements in reserve

Balance at beginning of year	15,296	-
Amounts reversed during the year	(15,296)	-
Amounts expensed during the year	55,457	15,296
Balance at end of the year	<b>55,457</b>	<b>15,296</b>

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NOTES TO THE FINANCIAL STATEMENTS

	2010 \$	2009 (restated) \$
<b>NOTE 18: ACCUMULATED LOSSES</b>		
Balance at the beginning of year	(5,293,726)	(1,583,860)
Net loss attributable to members of Green Invest Limited	(593,060)	(3,709,866)
Total available for appropriation	(5,886,786)	(5,293,726)
Dividends paid	-	-
Balance at end of year	<u>(5,886,786)</u>	<u>(5,293,726)</u>

**NOTE 19: CASH FLOW INFORMATION**

**(a) Reconciliation of the loss after tax to the net cash flows from operations**

Loss after income tax	(593,060)	(3,709,866)
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**Non-Cash Items**

Depreciation and amortisation	97,723	105,066
Write off of plant and equipment	-	47,669
Share and option based payments (net)	40,161	15,296
Interest capitalised not paid in cash	(20,741)	18,071
Impairment losses recognised	-	1,264,636
Employee share allocation	-	520,000
Bad and doubtful debts	-	(16,654)
Directors Remuneration	369,713	-

**Changes in assets and liabilities**

(Increase)/Decrease in receivables	(341,168)	1,052,523
(Increase)/Decrease in work in progress	-	109,838
Increase in other assets	(75,328)	(66,130)
Increase/(Decrease) in trade and other payables	174,265	(1,224,749)
Decrease in income tax receivable	(186,304)	(185,840)
Increase/(Decrease) in deferred income	14,279	(183,383)
Increase in employee provisions	449,136	50,329
Net cash outflow from operating activities	<u>(71,324)</u>	<u>(2,203,194)</u>

**(b) Reconciliation of cash**

Cash balance comprises:

– Cash at bank	631,572	454,091
– Cash on deposit	17,504	17,504
Closing cash balance	<u>649,076</u>	<u>471,595</u>

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

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

**(d) Non cash financing and investing activities.**

During the year, the Group did not have any non-cash financing or investing activities.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 20: PARENT ENTITY

In line with recent changes to the Corporations Act the separate disclosure of the parent entity in the financial reports is no longer required. In its place is a note disclosing a number of key financial indicators of the Parent Entity. This is the first reporting period in which Corporations Act amendments are being adopted. Comparative information has been re-stated to conform to the requirements of this amendment.

The Parent Entity is Green Invest Limited which acts as a holding Company for investments in a number of wholly owned subsidiaries. Green Invest Limited also provides management services to those subsidiary businesses for which they are charged an interCompany allocation of Green Invest Limited expenses.

	PARENT ENTITY	
	2010 \$	2009 (restated) \$
Current assets	186,716	969,214
Total assets	4,466,533	5,278,983
Current liabilities	1,065,238	1,363,624
Total liabilities	1,065,516	1,363,624
Net assets	3,401,017	3,915,359
Share capital	9,303,273	8,335,899
Reserves	55,457	15,296
Accumulated losses	(5,957,713)	(4,435,836)
Total equity	3,401,017	3,915,359
Loss for the year	(1,521,877)	(2,399,983)
Total comprehensive income for the year	(1,521,877)	(2,399,983)
Guarantees provided	-	-
Contingencies	-	-
Commitments *	162,800	134,235
Other significant or material detail relating to the parent	-	-

\* Commitments include rental leases for offices at 480 Collins Street Melbourne and equipment leases.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 21: PRIOR YEAR ADJUSTMENTS

A number of prior period adjustments have been made in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The adjustments were the result of: -

- An adjustment to the treatment of the purchase consideration of \$260,000 paid to the shareholders of Sustainable Footprint Pty Ltd in July 2008. The consideration was treated as goodwill, however Sustainable Footprint Pty Ltd owned no assets, and possessed no intangible assets. Upon a review of the agreement it would appear that the consideration was directly linked to the employment service conditions agreed to by the Directors of Sustainable Footprint Pty Ltd. Accordingly the Directors believe that the purchase consideration should be treated as key employee contracts expense and recognised as an asset on acquisition and amortised over the service period, being 3 years from 1 July 2008. On 30 June 2009, the Directors of Sustainable Footprint were released from the obligation to continue to provide services and were issued ordinary shares in satisfaction of the agreement. The key employee contract asset was consequently written off immediately and expensed. No additional payment in either shares or cash was made in relation to this transaction.
- Upon the acquisition on Next Generation Energy Solutions Pty Ltd in November 2007, all the assets and liabilities were consolidated based on an assessment of their fair values. It was noted that there existed contingent liabilities due to the Australian Taxation Office ("ATO") and the State Revenue Office ("SRO") relating to payroll and fringe benefits tax estimated at \$350,000. It was determined that the liability was contingent as it was dependent upon the issue of assessments. Under AASB 3 where the fair value of a contingent liability can be reliably measured, it should be recognised on acquisition. Therefore these liabilities should have been recognised as at 30 June 2009.
- The Directors of Next Generation Energy Solutions Pty Ltd (also the shareholders at the time of acquisition) agreed to indemnify Green Invest against any liabilities arising from the ATO and SRO assessments of \$350,000. Therefore, a receivable should have been recorded for this indemnity to offset the liability. As the risk related to each balance is different – payment to the ATO and SRO will be independent of any receipt of monies from the former directors of Next Gen – both balances have been separately recorded in prior periods and haven't been netted off. This indemnity is supported by assets that are held in escrow that can be realised at the option of the Company against any liabilities arising from an ATO assessment.
- In 2008 the bonus provided to employees of Next Generation Energy Solutions Pty Ltd was agreed with management. The amount agreed to be paid was in excess of the amount reported at 30 June 2009. The difference of \$43,578 was due to an accounting error at the time of the preparation of the financial report.
- Due to the changing nature of the Green Plumbers business during the financial year ended 30 June 2009 compared to the business originally acquired, the remaining goodwill carried in the consolidated statement of financial position of \$435,728 was impaired. Management has reviewed the impairment cash flows prepared as at 30 June 2009 and it has determined Green Plumbers goodwill at 30 June 2009 should have been written off at that date.
- Revenues disclosed in the Green Plumbers subsidiary for 2009 have overstated revenues from projects performed by Green Plumbers. The revenue quoted included an element of expenditure which was on charged to the client and, not for services provided by Green Plumbers. These works did not represent works performed by Green Plumbers nor did they constitute a reward for any effort performed. Green Plumbers obligation was to ensure that services were provided. Green Plumbers reward was in relation to facilitating the services provided, it was not a distributor of the product or service and it did not have rights to put its name on products or services. Accordingly the revenues that should be disclosed as income for the reward for the works performed by Green Plumbers are only the service fees. Revenue of the Green Invest Group was overstated by the disbursements and cost of goods has been overstated by the same amount.
- None of the above prior period adjustments have impacted retained earnings at 1 July 2008. Therefore, a consolidated statement of financial position at 1 July 2008 did not need to be disclosed with the consolidated statements of financial position at 30 June 2009 and 30 June 2010.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 21: PRIOR YEAR ADJUSTMENTS (Continued)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2009

	Notes	CONSOLIDATED		
		30-Jun-09 Original \$	Amendment \$	30-Jun-09 Restated \$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		471,595	-	471,595
Trade receivables		605,067	-	605,067
Other		60,802	350,000	410,802
<b>TOTAL CURRENT ASSETS</b>		<b>1,137,464</b>	<b>350,000</b>	<b>1,487,464</b>
<b>NON-CURRENT ASSETS</b>				
Plant and equipment		265,486	-	265,486
Intangible assets		4,573,798	(695,728)	3,878,070
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,839,284</b>	<b>(695,728)</b>	<b>4,143,556</b>
<b>TOTAL ASSETS</b>		<b>5,976,748</b>	<b>(345,728)</b>	<b>5,631,020</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables		1,304,552	393,578	1,698,130
Provisions		52,430	-	52,430
Interest bearing liabilities		731,193	-	731,193
Other		82,300	-	82,300
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,170,475</b>	<b>393,578</b>	<b>2,564,053</b>
<b>NON-CURRENT LIABILITIES</b>				
Provisions		9,498	-	9,498
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>9,498</b>	<b>-</b>	<b>9,498</b>
<b>TOTAL LIABILITIES</b>		<b>2,179,973</b>	<b>393,578</b>	<b>2,573,551</b>
<b>NET ASSETS</b>		<b>3,796,775</b>	<b>(739,306)</b>	<b>3,057,469</b>
<b>EQUITY</b>				
Share capital		8,335,899	-	8,335,899
Reserves		15,296	-	15,296
Accumulated Losses		(4,554,420)	(739,306)	(5,293,726)
<b>TOTAL EQUITY</b>		<b>3,796,775</b>	<b>(739,306)</b>	<b>3,057,469</b>

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 21: PRIOR YEAR ADJUSTMENTS (Continued)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2009

	Notes	CONSOLIDATED		
		30-Jun-09 Original \$	Amendment \$	30-Jun-09 Restated \$
<b>Revenue</b>				
Sales revenue		7,304,783	(3,720,051)	3,584,732
<b>Expenses</b>				
Cost of sales		(3,850,533)	3,720,051	(130,482)
Employee benefits expense		(3,155,673)	(303,578)	(3,459,251)
Depreciation expenses		(488,122)	-	(488,122)
Occupancy expenses		(105,066)	-	(105,066)
Administrative expenses		(215,328)	-	(215,328)
Travel expenses		(731,074)	-	(731,074)
Consulting expenses		(114,003)	-	(114,003)
Professional fees		(443,939)	-	(443,939)
Finance costs		(131,551)	-	(131,551)
Impairment Losses		(828,908)	(435,728)	(1,264,636)
Other expenses		(211,146)	-	(211,146)
		<u>(10,275,343)</u>	<u>2,980,745</u>	<u>(7,294,598)</u>
Loss before income tax		(2,970,560)	(739,306)	(3,709,866)
Income tax expense		-	-	-
Loss from continuing operations		<u>(2,970,560)</u>	<u>(739,306)</u>	<u>(3,709,866)</u>
<b>Other comprehensive income, net of tax</b>		-	-	-
Loss from continuing operations attributable to the members of Green Invest Limited		<u>(2,970,560)</u>	<u>(739,306)</u>	<u>(3,709,866)</u>
<b>Total comprehensive income for the year attributable to the members of Green Invest Limited</b>		<u>(2,970,560)</u>	<u>(739,306)</u>	<u>(3,709,866)</u>
Basic earnings per share		(\$0.09)		(\$0.11)
Diluted earnings per share		(\$0.09)		(\$0.11)

NOTES TO THE FINANCIAL STATEMENTS

	Notes	2010	2009 (restated)
		\$	\$
<b>NOTE 22: COMMITMENTS AND CONTINGENCIES</b>			
<b>Lease expenditure commitments</b>			
Operating leases (non cancellable):			
Leasing arrangement: Lease of office premises			
Minimum lease payments			
– Not later than one year		237,180	176,926
– Later than one year and not later than five years		69,298	121,889
Aggregate lease expenditure contracted for at reporting date		306,478	298,815

**NOTE 23: EARNINGS PER SHARE**

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

	2010	2009
	\$	\$
Net profit/(loss) after tax	(593,060)	(3,709,866)
	2010	2009
	No of Shares	No of Shares
Weighted average number of ordinary shares used in calculating basic earnings per share	37,047,954	33,497,226
<b>Effect of dilutive securities:</b>		
Share options (not dilutive)	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	37,047,954	33,497,226

In respect to the years ended 30 June 2009 and 30 June 2010, the basic profit/(loss) per share equated to 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. Consistent with the requirements of AASB 113 – Earnings per share, dilutive earnings per share has not varied from basic as the inclusion of potential ordinary shares would decrease the loss per share. At 30 June 2010 the quoted market price of Green Invest Limited shares was less than the exercise price of the options.

**GREEN INVEST LIMITED AND CONTROLLED ENTITIES**  
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**NOTES TO THE FINANCIAL STATEMENTS**

Notes

	2010 \$	2009 \$
<b>NOTE 24: AUDITOR'S REMUNERATION</b>		
Amounts received or due and receivable by the Auditors for		
An audit or review of the financial report of the entity and any other entity in the Consolidated Entity		
- PKF Chartered Accountants	66,570	-
- Pitcher Partners	-	283,440
Non-audit services:		
- Tax and compliance services *	-	94,052
- Other assurance services *	-	15,845
	<b>66,570</b>	<b>393,337</b>

\*Services provided in prior year by the Company's former auditor Pitcher Partners

**NOTE 25: INTEREST OF KEY MANAGEMENT PERSONNEL**

**Remuneration of Key Management Personnel**

The key management personnel of Green Invest Limited includes the Directors and other key management personnel of the entity as follows:

Mr Peter McCoy	Non-Executive Chairman (from 16 March 2009)
Mr Ronald Lunt	Executive Director (from 16 February 2009)
Mr Giovanni Filippo	Non-Executive Director (from 18 December 2009)
Mr Ken Edwards	Executive Director (from 30 November 2007 and ceased 19 November 2009)
Mr Michael Kirby	Chief Financial Officer and Company Secretary (from 22 April 2009)
Mr Christopher Reeve	General Manager Global Financial Services (from 1 July 2009)

**Compensation by Category**

	Consolidated Entity	
	2010 \$	2009 (restated) \$
Key management personnel compensation comprises		
Short-term employment benefits	728,250	852,989
Post employment benefits	25,380	43,045
Share-based payments	316,240	15,296
<b>Total</b>	<b>1,069,870</b>	<b>911,330</b>

**Number of Options held by Key Management Personnel**

2010	Balance 01/07/09	Granted as remuneration*	Options exercised	Net change other	Balance 30/06/10	Total vested 30/06/10	Total Exercisable 30/06/10	Total Unexercisable 30/06/10
Ron Lunt	5,833,334	2,093,083	-	(5,833,334)	2,093,083	2,093,083	2,093,083	-
Peter McCoy	-	2,229,733	-	-	2,229,733	2,229,733	2,229,733	-
Giovanni Filippo +	-	69,400	-	-	69,400	69,400	69,400	-
Ken Edwards ^	500,000	-	-	(500,000)	-	-	-	-
Michael Kirby	-	-	-	-	-	-	-	-
Chris Reeve	-	-	-	-	4,392,216	4,392,216	4,392,216	-
	<b>6,333,334</b>	<b>4,392,216</b>	-	<b>(6,333,334)</b>	<b>4,392,216</b>	<b>4,392,216</b>	<b>4,392,216</b>	-

+ Giovanni Filippo was appointed during 2010 financial year therefore the 2009 comparatives are not applicable.

^ Ken Edwards ceased to act as a Director on 26 November 2009 and his options expired on their resignation.

Fully paid ordinary shares granted as remuneration have not yet been issued. Refer to remuneration report for further details.

**GREEN INVEST LIMITED AND CONTROLLED ENTITIES**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 25: INTEREST OF KEY MANAGEMENT PERSONNEL (continued)**

**Fair Value of Directors Options**

On 3 May 2010, shareholders approved the issue of 4,392,216 options to Directors in lieu of director's fees and other remuneration. The options are exercisable at \$0.10 and expire on 31 December 2011.

The fair value of these options was calculated using the Black-Scholes option pricing model applying the following input:

Exercise Price	\$0.10
Share price at date of granting	\$0.05
Life of option	1.66 years
Dividends	Nil
Risk free interest rate	4.47%
Expected share price volatility	84.5%

Expected share price volatility has been based on historical volatility and this has been assumed is indicative of future increments. Life of the option is assumed to approximate the option's expiry date based on historical patterns that no options have been exercised.

The Black-Scholes calculation has derived a value of \$0.012 per option.

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 +	-	-	-	-	-	-	-	-
Michael Kirby +	-	-	-	-	-	-	-	-
Sophie Karzis ^	-	-	-	-	-	-	-	-
Stephen Munday ^	-	1,500,000	-	(1,500,000)	-	-	-	-
	<b>6,283,334</b>	<b>5,400,000</b>	<b>-</b>	<b>(5,350,000)</b>	<b>6,333,334</b>	<b>5,833,334</b>	<b>5,833,334</b>	<b>500,000</b>

^ Messrs McMillan, Galbally and Pratt resigned as Directors on 16 March 2010 and their options expired on their resignation.

++ Andrew Bonwick resigned on 15 August 2009. The options were held on resignation date and converted to an unrelated party.

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

+ Michael Kirby was appointed Chief Financial Officer to the Green Invest Group on 22 April 2010.

^ Sophie Karzis resigned as Company Secretary 1 April 2010 and Stephen Munday as Chief Financial Officer 30 April 2010.

^ Stephen Munday's options expired on his resignation.

The fair value of these options issued during the 2009 financial year were calculated using the Black-Scholes option pricing model applying the following input::

Exercise Price	\$0.09
Weighted Average Exercise Price	\$0.06
Share price using in option pricing model	\$0.29
Average Life of option	5 years
Dividends	Nil
Risk free interest rate	3.65%
Expected share price volatility	605%

Expected share price volatility was based on historical volatility and this has been assumed is indicative of future increments.

GREEN INVEST LIMITED AND CONTROLLED ENTITIES  
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NOTES TO THE FINANCIAL STATEMENTS

NOTE 25: INTEREST OF KEY MANAGEMENT PERSONNEL (continued)

Number of shares held by Key Management Personnel:

2010	Balance 01/07/09	Received as Remuneration	Options Exercised	Net change Other	Balance 30/06/10
Ron Lunt	6,514,444	2,093,083	-	813,499	9,421,026
Peter McCoy	-	2,229,733	-	884,833	3,114,566
Giovanni Filippo	-	69,400	-	-	69,400
Ken Edwards	3,200,000	-	-	-	3,200,000
Michael Kirby +	174,000	-	-	-	174,000
Sophie Karzis #	2,000	-	-	(2,000)	-
Stephen Munday	-	-	-	-	-
Chris Reeves	615,000	-	-	-	615,000
<b>Total</b>	<b>10,505,444</b>	<b>4,392,216</b>	<b>-</b>	<b>1,696,332</b>	<b>16,593,992</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 2010 financial year, 2009 comparatives are not applicable.

+ Michael Kirby was appointed Chief Financial Officer to the Green Invest Group on 22 April 2010.

# Sophie Karzis resigned as Company Secretary on 1 April 2010. These shares have been converted to unrelated party.

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 +	-	-	-	-	-
Michael Kirby	-	-	-	174,000	174,000
Sophie Karzis	2,000	-	-	-	2,000
Chris Reeve	-	-	-	615,000	615,000
<b>Total</b>	<b>10,346,444</b>	<b>-</b>	<b>-</b>	<b>159,000</b>	<b>10,505,444</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 2010 financial year, 2009 comparatives are not applicable.

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 26: RELATED PARTY DISCLOSURES**

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

	Country of Incorporation	Percentage Owned	
		2010	2009
<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%	100%
Sustainable Footprint Education Pty Ltd	Australia	100%	-
Green Professionals Pty Ltd	Australia	100%	-
IntoEco (I Green) Pty Ltd	Australia	100%	-
Green Electricians International Pty Ltd	Australia	100%	-
<b>Subsidiaries of Green Plumbers Global Corporation Ltd</b>			
Green Plumbers Pty Ltd	Australia	100%	-
Green Plumbers Assist Pty Ltd	Australia	100%	-
Green Plumbing Environmental Service Pty Ltd	Australia	100%	-
Green Credit Pty Ltd	Australia	100%	-
Green Plumbing Services Pty Ltd	Australia	100%	-
Green Plumbers Australia Pty Ltd	Australia	100%	-
Green Plumbers International Pty Ltd (Trustee for Green Plumbers Unit Trust)	Australia	100%	100%

(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 2010 were \$975,315 (2009: \$517,806). The aggregate amounts payable to controlled entities by the parent entity as at 30 June 2010 were \$541,304 (2009: \$Nil). Services provided by the parent entity to subsidiary entities for the financial year ended 30 June 2010 of \$553,061 (2009: \$Nil) have been charged through the loan accounts.

**Transactions with key management personnel**

During the year there was a loan receivable from Mr Ron Lunt, a Director totalling \$86,839 (2009: \$3,594), refer to note 8. This loan was made on a commercial basis with interest payable on any outstanding balance and was fully repaid as at balance date. There were no other loans receivable from or payable to key management personnel. Interest was charged on the loan accounts of \$4,449 (2009: \$Nil) at 9%.

During the year taxation, accounting and other services were provided by Filippo Chartered Accountants and related entities. Giovanni Filippo holds the position of partner at Filippo Chartered Accountants. These services were provided at arms-length and on commercial terms. The total of the services provided for the year were \$46,615 (2009: \$Nil). Also an entity associated with Mr Peter McCoy provided public relations and capital raising services for \$9,229 (2009: \$Nil) and Mr Ronald Lunt provided capital raising services for \$6,875 (2009: \$Nil).

**GREEN INVEST LIMITED AND CONTROLLED ENTITIES**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 27: SHARE BASED PAYMENTS**

Movement in the options of the Consolidated Entity during the financial year are summarized below.

	2010 Number	2009 Number
Balance at 1 July	6,333,334	6,283,334
Granted during the financial period	4,621,386	5,400,000
Expired during the financial period	(6,333,334)	(5,350,000)
Balance at the 30 June	4,621,386	6,333,334

The Company has granted a total of 4,621,386 options during the year (2009: 500,000 options) to the Directors (or their nominees) which are exercisable at the end of the period.

2010	Issue Date	Options Granted	Exercise Price	Expiry Date	Vesting Date
Ron Lunt	3 May 2010	2,093,083	\$0.10	31 December 2011	3 May 2010
Peter McCoy	3 May 2010	2,229,733	\$0.10	31 December 2011	3 May 2010
John Filippo	3 May 2010	69,400	\$0.10	31 December 2011	3 May 2010

The options issued to the Directors in 2010 have no terms and conditions attaching to their issue.

2009	Issue Date	Options Granted	Exercise Price	Expiry Date	Vesting Date
Ken Edwards	24 December 2008	500,000	\$0.60	24 December 2013	24 December 2008

Options on issue to Mr Ken Edwards have the following conditions:-

- the options vest in full when an event occurs which give rise to a change in control of the Company.
- if the Company after having granted these options restructures its issued share capital, ASX Listing Rules will apply to the number of Shares issued to the option holder on exercise of an option.
- options will not be listed on ASX but application will be made for quotation of the shares resulting from the exercise of the options.
- on issue of the resulting shares, they will rank equally with ordinary shares on issue at that time.
- Must remain a director of the Company until options are exercised.
- Share options carry no rights to dividends and no voting rights. In accordance with the terms of the share option schemes, options may be exercised at any time from the date on which they vest to the date of their expiry, subject to any additional specific requirements of the particular allocation

Consideration received on the exercise of options is recognised as contributed equity. During the financial year ended 30 June 2010 and 30 June 2009 no options were exercised.

The weighted average share price during the year was \$0.045 (2009: \$0.060). At 30 June 2010, the remaining contractual life of options is 18 months.

The determination of the fair value of the options is disclosed in Note 25.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 28: OPERATING SEGMENTS

The Group has identified the following operating segments based on the internal reports that are reviewed and used by the Board in assessing the performance of the Group and determining allocation of resources.

The Group is managed primarily on the basis of service offerings as the diversification of the Group's operations inherently have notable different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

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

- The services provided by the segment
- The process used to provide those services
- The type of customers services by the segment
- The external regulatory requirements

#### (a) Business segments

The Consolidated Entity operates predominantly in the environmental energy initiatives sector and includes:

##### Financial Services (NGES):

Energy, green energy and environmental asset brokerage services;

##### Technical Services (Green Plumbers):

Project management of environmentally friendly initiatives for government, non government organisations, individuals and commercial enterprises; and

##### Integration Services (Sustainable Footprint):

Environmental auditing and carbon off-set measurement.

#### (a) Geographical segments

Whilst Green Plumbers has a license arrangement for commercialisation in North America, the Group operates predominantly within Australia.

#### (b) Basis of Accounting for purposes of reporting by operating segments

##### Accounting Policies Adopted

Unless stated otherwise, all amounts reported with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

##### Inter-segment Transactions

Corporate charges are allocated to reporting segments based on the segments' full time equivalent staff numbers within the Group. The Board believes this is a fair representation of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are initially recognised at the consideration received or to be received net of transaction costs. Inter-segment loans are not on a commercial basis and they are not adjusted to fair value based on market interest rates. This policy is a departure from that applied in the annual financial statements of the Group.

##### Segment Assets

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

##### Segment Liabilities

Liabilities are allocated to segments where there is a direct nexus between incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables.

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 28: OPERATING SEGMENTS (Continued)**

Unallocated Items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Income Tax Expenses
- Deferred tax assets and liabilities
- Current tax liabilities

Comparative Information

This is the first reporting period in which AASB 8 is being adopted. Comparative information has been re-stated to conform with the requirements of this standard

(c) Primary Segment Information

Business segments	Technical Services		Financial Services		Integration Services		Corporate		Consolidated Entity	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenue	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Sales to customers outside the Consolidated Entity	203,845	710,780	3,941,545	2,655,398	561,934	147,606	-	-	4,707,324	3,513,784
Other revenue	49,985	8,456	141,970	52,104	5,005	2,220	20,000	8,168	216,960	70,948
<b>Total segment revenue</b>	<b>253,830</b>	<b>719,236</b>	<b>4,083,515</b>	<b>2,707,502</b>	<b>566,939</b>	<b>149,826</b>	<b>20,000</b>	<b>8,168</b>	<b>4,924,284</b>	<b>3,584,732</b>
<b>Results</b>										
Segment result before tax	(307,746)	(438,517)	919,877	(777,728)	(377,068)	(556,478)	(948,306)	(1,937,143)	(713,243)	(3,709,866)
<b>Segment result before tax</b>	<b>(307,746)</b>	<b>(438,517)</b>	<b>919,877</b>	<b>(777,728)</b>	<b>(377,068)</b>	<b>(556,478)</b>	<b>(948,306)</b>	<b>(1,937,143)</b>	<b>(713,243)</b>	<b>(3,709,866)</b>
<b>Total Assets</b>	<b>106,855</b>	<b>117,530</b>	<b>5,929,334</b>	<b>5,255,214</b>	<b>176,062</b>	<b>120,567</b>	<b>628,861</b>	<b>137,710</b>	<b>6,841,112</b>	<b>5,631,020</b>
<b>Total Liabilities</b>	<b>100,321</b>	<b>239,407</b>	<b>1,753,049</b>	<b>1,243,282</b>	<b>251,603</b>	<b>77,235</b>	<b>1,065,517</b>	<b>1,013,627</b>	<b>3,170,490</b>	<b>2,573,551</b>
<b>Other segment information:</b>										
Income tax (benefit)	-	-	-	-	-	-	(120,183)	-	(120,183)	-
Interest revenue	-	-	-	-	-	-	4,449	17,759	4,449	17,759
Interest Expense	-	-	-	-	-	-	166,767	131,551	166,767	131,551
Acquisition of non-current segment assets	19,068	5,004	-	22,210	-	25,785	37,679	35,249	56,747	88,248
Depreciation and amortisation of segment assets	6,266	20,853	66,516	67,701	6,653	476	18,287	16,036	97,722	105,066
Goodwill impairment charge	-	942,706	-	321,930	-	-	-	-	-	1,264,636

GREEN INVEST LIMITED AND CONTROLLED ENTITIES  
ACN 119 031 462

NOTES TO THE FINANCIAL STATEMENTS

NOTE 29: CONTINGENT LIABILITIES

The Group has Supreme Court proceedings on foot against the original vendors of NextGen. The Directors believe that these proceedings will be successful and that the Group will receive settlement funds and/or a cancellation in the number of shares paid as purchase consideration to those original vendors.

NOTE 30: SUBSEQUENT EVENTS

There are no events that have taken place subsequent to the end of the financial year, other than as disclosed below.

Subsequent to balance date, the Group has signed a material contract with Scouts Australia NSW in relation to the provision of various services. Also, the Group has entered an agreement to sell its interest in Nextgen's business into a joint venture with Envex Services, which is a subsidiary of Climate Change Pty Ltd. The Group will retain a 49% interest in Envex Services and will be represented on the Board of Envex Services. Under the transaction, the Group effectively sold 51% of its interest in the Nextgen business for \$2 million which will be received in cash. Also, the Group has settled some of its Supreme Court litigation in respect of the acquisition of Nextgen with the vendors of Nextgen.

The above matters have been disclosed in ASX announcements made since balance date, and other than these matters, there are no events that have taken place subsequent to the end of the financial year.

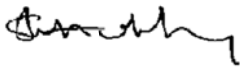
## DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 32 to 72 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (c) the financial report also complies with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as disclosed in Note 1 (c); and
- (d) the audited Remuneration Report set out on pages 23 to 28 of the Directors' Report are in accordance with the Corporations Act 2001.

The directors have been given declarations, as required by section 295A of the Corporations Act 2001, by the chief executive officer and the chief financial officer for the financial year ended 30 June 2010.

Signed in accordance with a Resolution of the Board of Directors at Melbourne this 21st day of October 2010.



Peter McCoy  
Chairman  
21 October 2010

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF GREEN INVEST LIMITED**



Chartered Accountants  
& Business Advisers

**Report on the Financial Report**

We have audited the accompanying financial report of Green Invest Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising Green Invest Limited and the entities it controlled at the year's end or from time to time during the financial year.

*Directors' Responsibility for the Financial Report*

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

*Auditor's Responsibility*

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

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

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

*Independence*

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

*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 consolidated entity's financial position as at 30 June 2010 and 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 statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

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Chartered Accountants  
& Business Advisers

**INDEPENDENT AUDITOR'S REPORT (CONT'D)  
TO THE MEMBERS OF GREEN INVEST LIMITED**

*Emphasis of Matter - Material Uncertainty Regarding Continuation as a Going Concern*

Without qualifying our opinion, we draw attention to Note 1(a) in the financial report which indicates for the year ended 30 June 2010 the consolidated entity has incurred a loss of \$593,060 (2009: \$3,709,866), and negative cash flow from operating activities of \$71,324 (2009: \$2,203,194). In addition, as at 30 June 2010, the consolidated entity has a deficiency of working capital of \$871,115 and a net tangible asset deficiency of \$676,162. These conditions, along with other matters as set forth in Note 1(a), indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern, and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary if the entity does not continue as a going concern.

**Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 23 to 28 of the directors' report for the year ended 30 June 2010. 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 for the year ended 30 June 2010, complies with section 300A of the Corporations Act 2001.

PKF

PKF

21 October 2010  
Melbourne

**D J Garvey  
Partner**

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## Additional Securities Exchange Information

### Number of Holdings of Equity Securities as at 29 September 2010

As recorded by Computershare as at 29 September 2010, the fully paid issued capital of the Company consisted of 45,517,300 ordinary fully paid shares held by 435 shareholders. Each share entitles the holder to one vote.

### Distribution of Holders of Equity Securities as at 29 September 2010

Range	Total Holders	No. of Shares	% of Issued capital
1 - 1000	6	3,232	0.007
1,001 – 5,000	216	633,303	1.402
5,001 – 10,000	63	553,037	1.215
10,001 – 100,000	109	3,750,615	8.151
100,001 and over	41	40,576,153	89.225
<b>Rounding</b>			
<b>Total</b>	<b>435</b>	<b>45,517,300</b>	<b>100.00</b>

### Unmarketable parcels as at 29 September 2010

Minimum \$500.00 parcel at \$0.065 per unit    Minimum parcel size: 7693    Holders: 241    Units: 760,138

### Top 20 holders of FULLY PAID ORDINARY SHARES 29 September 2010

Rank	Name	No. of Shares	% of Issued Capital
1	GFK INVESTMENTS PTY LTD	10,645,437	23.39
2	MR RONALD GLEN LUNT	6,431,110	14.13
3	MR FRANCIS WILLIAM GALBALLY	5,259,444	11.55
4	A.M.P.K ENERGY CONSULTANTS PTY LTD	3,200,000	7.03
5	THE ELECTRICAL TRADES UNION OF AUSTRALIA <VICTORIAN BRANCH A/C>	2,000,000	4.39
6	MR FRANCIS WILLIAM GALBALLY + MR MICHAEL O'SHAUGHNESSY <FRANCIS GALBALLY S/FUND A/C>	1,832,150	4.03
7	PATTISON & ASSOCIATES PTY LTD	1,186,708	2.61
8	C T GALBALLY INVESTMENTS PTY LTD <C TREWIN-GALBALLY S/F A/C>	833,334	1.83
9	MASTER PLUMBERS & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA	800,000	1.76
10	MR DAVID JOHN LAURITZ + MRS DEBORAH MADGE LAURITZ <LAURITZ SUPER FUND A/C>	647,291	1.42
11	MR CHRISTOPHER JOHN REEVE	615,000	1.35
12	BENCHMARK PTY LTD	579,988	1.27
13	MR WILLIAM CLIVE DURHAM + MRS DAWN THERESE DURHAM <W C DURHAM SUPER FUND A/C>	500,000	1.10
14	MR DANIEL JOSEPH FOSTER	405,000	.89
15	DINGO INVESTMENTS SUPERANNUATION FUND PTY LTD	400,000	.88
16	F J D INVESTMENTS PTY LTD	374,015	.82
17	WINMEL PTY LTD <R E BOTT SUPER FUND A/C>	354,205	.78
18	ENERGY RISK MANAGEMENT SOLUTIONS PTY LTD <FOSTER FUTURE FUNDS A/C>	350,000	.77
19	MS KATE L'HUILLIER <WILLIAMS NO 2 A/C>	335,000	.74
20	MR MICHAEL JOSEPH ARBON + MRS ANNE LOUISE ARBON <SUPERANNUATION FUND A/C>	250,000	.55

## Additional Securities Exchange Information – (continued)

### Substantial Shareholders

Name	No. of Shares	% of Issued Capital
MR RONALD GLEN LUNT	6,784,444	14.91
MR FRANCIS WILLIAM GALBALLY	7,114,444	15.63

### Other Information

The name of the Company Secretary is Mr Michael Kirby. 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.

### Variation to Appendix 4E Results

Since the Company's preliminary final report was issued to the ASX on 31<sup>st</sup> August 2010, the following material changes have occurred to the financial results and financial position of the Company:

- **Profit/Loss from Continuing Operations** – from a profit of \$339,412 to a loss of \$593,060, a movement of \$932,472; and
- **Net Assets / Total Equity** – from \$3,995,746 to \$3,471,944, a movement of \$523,802.

The movement in the Profit/Loss from Continuing Operations is ostensibly in relation to the recognition of remuneration and expenses due to the Directors for the period from April 2009 to June 2010 of approximately \$687,000 not previously recognised. Also a Research and Development Rebate as part of Group's 2008/09 Income Tax Return of approximately \$198,000 has been reversed pending clarification of a number of technical issues with the Australian Taxation Office. It is the Director's position that the application for the Research and Development Rebate will be successful.

The movement in Net Assets / Total Equity is ostensibly in relation to the above matter. Director's remuneration is consistent with the approval granted by Shareholders at the Company's EGM on 3<sup>rd</sup> May 2010 and was settled in part via the issue of shares and options and the balance (cash component) has been accrued in the Company's accounts.