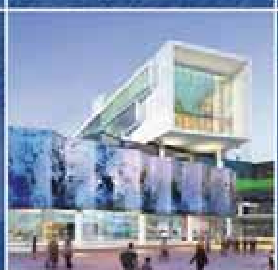
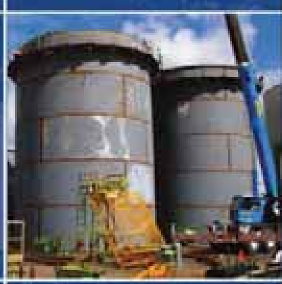
EVZ limited

Engineering The Future

Annual Report 2013

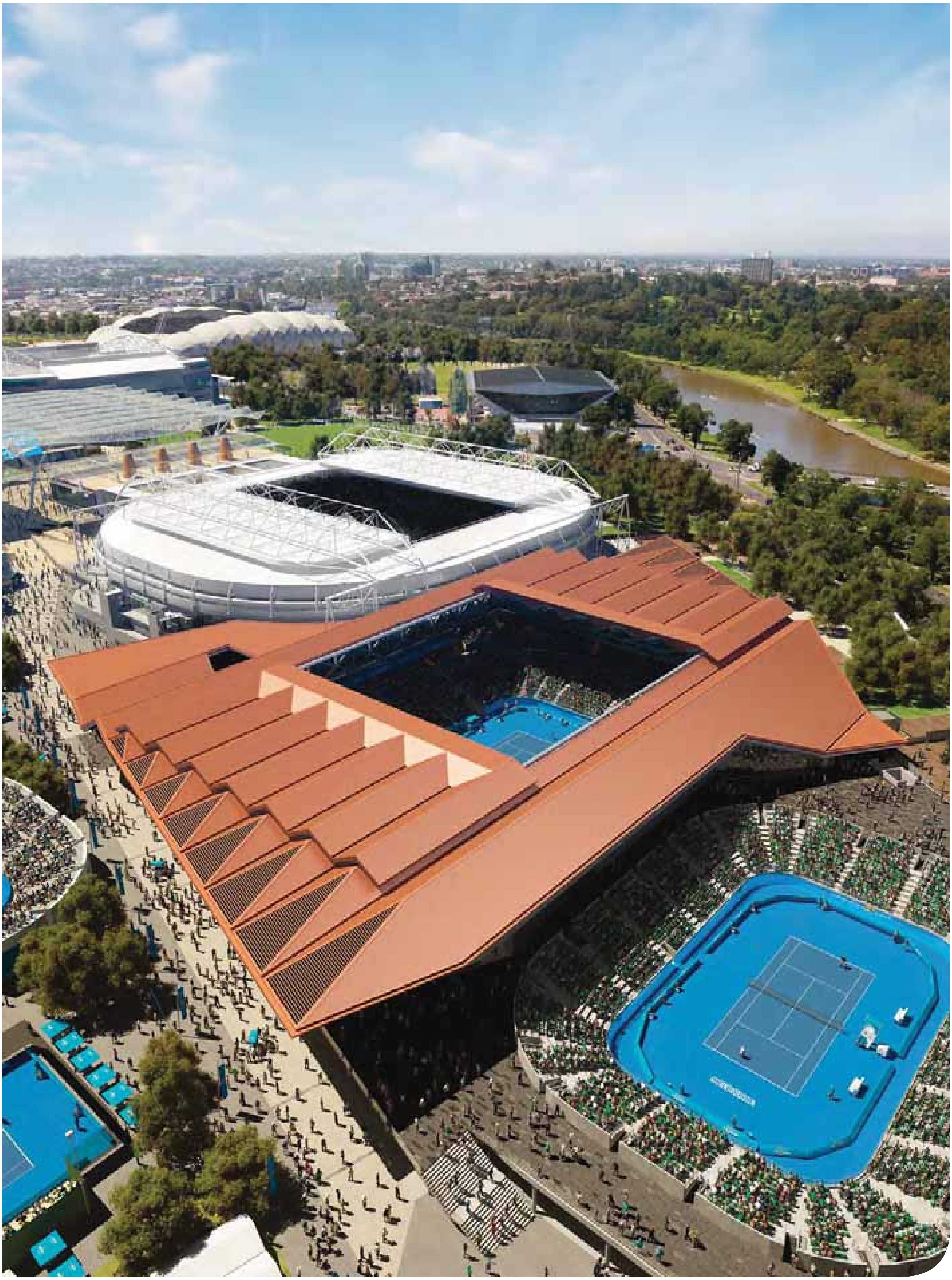




EVZ Limited and Controlled Entities

ABN 87 010 550 357

CONTENTS



Corporate Directory

DIRECTORS

Max Findlay (Non-Executive Chairman)
Graham Burns (Non-Executive Director)
Rob Edgley (Non-Executive Director)
Raelene Murphy (appointed 28/9/12) (Non-Executive Director)


M Findlay, Chairman


G Burns


R Edgley


R Murphy

CHIEF EXECUTIVE OFFICER

Scott Farthing (appointed 24/9/12)


S Farthing

CHIEF FINANCIAL OFFICER and COMPANY SECRETARY

Ian Wallace

REGISTERED & PRINCIPAL OFFICE

15 Clifford Street
HUNTINGDALE VIC 3166
Telephone: (03) 9545 5288
Facsimile: (03) 9558 9944
Email: corporate@evz.com.au

SHARE REGISTRY

Computershare Investor Services Pty Ltd
452 Johnston Street,
ABBOTSFORD. VIC. 3067
Telephone: 1300 137 328
Facsimile: 1300 137 341

AUDITORS

Advantage Advisors
Level 7
114 William Street
MELBOURNE Vic 3000

BANKERS

Commonwealth Bank of Australia

STOCK EXCHANGE LISTING

Australian Securities Exchange Limited
(Home Exchange – Melbourne)
ASX Code: EVZ

Chairman's Report

The 2013 financial year for EVZ Limited was a period of profitable stabilisation and setting the foundations for growth in coming years.

In the year, the company reduced its revenue slightly to $57.2M (FY12: $62.6M) with earnings before interest, tax, depreciation and amortisation increasing to $3.16M (FY12: $0.85M).

In competitive market conditions operations have stabilised after a period of restructure to enter a renewal phase with a new CEO. Scott Farthing commenced as our CEO in September 2012 leading the operations of the company to deliver growth across all market sectors in addition to the implementation of the clean energy strategy developed by the Board.

As the energy strategy continues to be progressed, the Board is committed to executing a program of change promoting growth across all of the businesses to ensure reliable future growth in conjunction with our senior staff.

In particular, I am pleased to report that:

- the Syfon business continues its geographic expansion into Western Australia and Asia with positive results already being achieved.
- Brockman has recently undergone management change, with a view to greater penetration in other geographic and industry sectors. The new General Manager is having immediate success with a significant increase in the tender pipeline.
- a concerted and successful marketing focus has also been implemented within the TSF Maintenance business which has provided a number of new contracts and an improved recurring revenue base for the Group.
- the Melbourne Airport project in TSF Engineering has commenced construction and TSF Engineering continues to expand its tender pipeline.

Our work in hand has increased during the year by more than 40% giving rise to further stability as these projects are successfully executed. The management teams in each of our businesses are working with stronger operational processes to deliver more consistently to our clients.

Strategic Development

During the year the Board developed a strategy to invest in growing a clean energy business focusing on the Co-generation and Tri-generation sector and recurring revenue streams from the associated operating and maintenance. Co-generation and Tri-generation systems provide an alternative low cost and environmentally sustainable source of energy to large electricity consumers in Australia's manufacturing and building sectors. Greater certainty in environmental policy with the new Federal Government is likely to expand investment in the clean energy industry. During the year, we commenced the design and construction of a major tri-generation plant for Melbourne Airport. This project, coupled with the award- winning Charlestown Square Shopping Centre tri-generation project, demonstrates our capability on which we can grow to become the leading provider in this sector.

Reinvesting for Growth

As part of repositioning itself for growth, EVZ is focusing on a debt reduction regime along with rebuilding cash reserves to fund investment in its profitable and growth businesses. The Directors have therefore determined that it would be financially prudent to not pay a dividend for FY13. The Board's goal of delivering a sustainable dividend stream reflecting the earnings profile and capital needs of EVZ's businesses remains a top priority.

Appointment of new Director

During the year Raelene Murphy was appointed to the Board as a Non-Executive Director. Raelene is a Director of 333 Management, a consultancy specialising in the provision of management capability for operational, strategic and financial advice. Her background is in managing diverse groups and financial and operational improvement, both as an advisor and in CEO and CFO roles across a number of industry sectors, including building and construction in the private and public arena.

Conclusion

Lastly, I would like to thank our shareholders for their continued support over the past twelve months as the Company continues to restructure itself building foundations and reinvesting in growth to create a more profitable business. Market conditions have been and continue to remain very difficult. However, the operational initiatives implemented over FY13 have put EVZ on a much better footing to respond, take advantage of growth opportunities, and increase shareholder value.

Max Findlay
Chairman

CEO’s Report

I am pleased to report that EVZ Limited has delivered an improved financial and operational performance in 2013.

We are encouraged by the good progress made and return to profitability after a year of restructure and strategic change. The results show an improved performance derived from stronger operational management in conjunction with the introduction of our clean energy strategy. Lower revenues resulted from rationalisation in non-strategic sectors.

The creation and early phase implementation of the clean energy strategy during the year has led to new market opportunities for the Group in the manufacturing and building sectors. Our energy generation offering allows large electricity consumers to gain substantial operating, financial and environmental benefits. Increasing demand for clean, cost effective, reliable and environmentally sensitive power generation options is evident confirming our strategic investment and future growth prospects in the sector.

We have progressively improved the financial health of the business with a view to more deeply integrating our new strategic direction and making further operational improvements in a very competitive marketplace. Improved project management accompanied by stronger and more frequent reporting is achieving more reliable time and cost outcomes feeding into greater client satisfaction.

Our safety performance continues to improve. Our Safety for Life program is reaching out to staff at all levels reinforcing safety as our number one priority. The conversations in our business are changing to a heightened awareness of the hazards and management of our site activities to reduce the risk of injury.

Syfon Systems has continued to build strength in the water sector, gaining market share in the domestic market whilst building a stronger and more geographically diverse business in Asia. Our strategic focus on the higher margin mega-projects sector in Asia is delivering profitable results that are expected to increase further as our geographic expansion plan is executed.

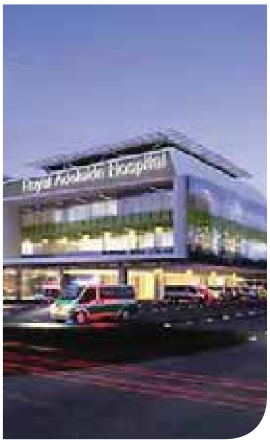
The engineering sector, primarily through Brockman Engineering, faced competitive local market conditions during the year. Our ongoing performance continues to be underpinned by long term operations and maintenance contracts accounting for more than one third of our annual revenue. Recently commenced new management is providing strategic leadership in the business that is specifically focusing on expanding our national project reach and capability that will derive profitable growth. EVZ is committed to further investment in this business which is seen as a significant contributor to shareholder value.

TSF Engineering has commenced delivery of the Melbourne Airport Tri-generation Plant that will provide clean energy to Melbourne’s international gateway from 2015. The project is a component in the transformation to the clean energy generation sector that is expected to grow as the environmental and financial benefits of co-generation and tri-generation to the Australian manufacturing and large scale building sector become more widely recognised.

Looking ahead, we have started building foundations for the future. There is more work to do and with the continued commitment of our directors and staff results will build.

Finally, I would like to thank all our directors and staff for their commitment and contribution over the last year. We are on a journey that will continue to position the company.

Scott Farthing
Chief Executive Officer



The Directors present their report on the financial statements of the Company and economic entity for the year ended 30 June 2013. In order to comply with the provisions of the Corporations Act, the Directors report as follows:

DIRECTORS

The following persons were Directors of the Company during the financial year and up to the date of this report:

Maxwell FINDLAY
Graham BURNS
Robert EDGLEY
Raelene MURPHY (appointed 28/9/12)
Peter JONES (resigned 28/8/12)

INFORMATION ON DIRECTORS

Details of the Directors of the Company in office at the date of this report are:

Maxwell Findlay

Appointed 14 May 2008 – Non-Executive Chairman.
Mr Findlay, age 69, was the Managing Director of Programmed Maintenance Services Limited from 1988 to 2008 and accumulated significant and relevant experience in the strategy, planning, management and marketing of a growing industrial organisation.

Mr Findlay holds a Bachelor's degree in Economics and is a Fellow of the Australian Institute of Company Directors.

Mr Findlay is a member of the Audit Committee, Nomination Committee and Remuneration Committee.

Interest in Shares: 1,644,500 ordinary shares.

Graham Burns

Appointed 1 February 2008 – Non-Executive Director.
Mr Burns, age 58, has extensive managerial skills and experience in the property, retail and manufacturing sectors. He is currently the Chief Executive of Hunter Land which is a significant industrial developer in regional New South Wales.

Mr Burns is Chairman of the Remuneration Committee and a member of the Nomination Committee.

Interest in Shares: 9,017,021 ordinary shares.

Robert Edgley

Appointed 26 August 2011 – Non-Executive Director.
Mr Edgley, age 48, holds a Bachelor's degree in Economics from Monash University together with a second degree in Japanese language. Mr Edgley's career has been predominantly focused in International Finance and Investment Banking in Australia, the UK and throughout Asia.

Mr Edgley has significant experience and skills in strategic planning, performance management and marketing and has proven abilities in building businesses.

Mr Edgley is a member of the Audit, Remuneration and Nomination Committees.

Interest in Shares: 3,341,232 ordinary shares.

Raelene Murphy

Appointed 28 September 2012 – Non-Executive Director.
Ms Murphy, age 53, acted as the Interim CEO for EVZ from 10 February 2012 until the commencement of Scott Farthing as Group CEO on 24 September 2012.

Ms Murphy specialises in the provision of management capability for operational, strategic and financial advice. Her background is in managing diverse groups and financial and operational performance improvement across a number of industry sectors, including building and construction and in the private and public arena.

Ms Murphy has been appointed Chairperson of the Audit Committee and is a member of the Nomination Committee.

Interest in Shares: 42,500 ordinary shares.

DIRECTORS' MEETINGS

The following table sets out the number of Directors' Meetings (including meetings of any committee of Directors) held during the financial year and the number of meetings attended by each Director (whilst they were a Director or Committee member):

DIRECTORS' MEETINGS

Total number of meetings held:		14
	No. Attended	No. Held Whilst a Director
M Findlay – Chairman	14	14
G Burns	14	14
R Edgley	14	14
R Murphy (appointed 28/9/12)	9	9
P Jones (resigned 28/8/12)	3	3

REMUNERATION COMMITTEE MEETINGS

Total number of meetings held:		4
	No. Attended	No. Held Whilst a Member
G Burns – Chairman	4	4
M Findlay	4	4
R Edgley (appointed 28/9/12)	2	2
P Jones (resigned 28/8/12)	1	1

AUDIT COMMITTEE MEETINGS

Total number of meetings held:		3
	No. Attended	No. Held Whilst a Member
R Murphy – Chairperson (appointed 28/9/12)	2	2
M Findlay	3	3
R Edgley	3	3
P Jones – (resigned 28/8/12)	1	1

There were no meetings of the Nomination Committee held during the year.

COMPANY SECRETARY

The Company Secretary is Ian Wallace. Mr Wallace is a Chartered Accountant with accounting and company secretarial experience in listed and unlisted companies.

PRINCIPAL ACTIVITIES

The economic entity operates in the energy and engineering services sectors and its principal activities are:

- Design, installation and maintenance of clean energy solutions, base and back-up power generation equipment, communications equipment, marine installations and provision of mobile generation capabilities.
- Design and installation of syfonic roof drainage systems to major buildings including airports, shopping centres and sporting venues throughout Australia and South East Asia.
- Design, manufacture, service and maintenance of large steel tanks for use in the water, petrochemical and chemical industries.
- Design, construction, on-site installation, maintenance and shutdown engineering services to the mining, wood chip, petrochemical, aluminium, glass, cement, defence and agriculture industries.

OPERATING RESULTS

The net profit for the economic entity for the year after income tax expense was $889,768 compared to a net loss after income tax expense in 2012 of $14,149,900.

The FY2013 results show a significant improvement in performance derived from stronger operational management of each subsidiary business in conjunction with the introduction of the clean energy strategy. Lower revenues resulted from rationalisation in non-strategic sectors resulting in improved earnings.

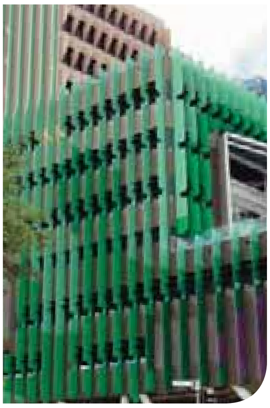
Introduction of the clean energy strategy during the period has led to new project opportunities for the Group in the manufacturing and building sectors. Clean energy generation offering allows large electricity consumers to gain substantial operating, financial and environmental benefits. Increasing demand for clean, cost effective, reliable and environmentally sensitive power generation options is evident confirming strategic investment and future growth prospects in the sector.

Improved operational management and focused strategic business development has provided gains in a competitive marketplace that are expected to continue in future years.

Syfon Systems has continued to build strength in the water sector, rapidly gaining market share in the domestic market whilst building a stronger and more geographically diverse business in Asia. The strategic focus on the higher margin mega-projects sector in Asia is delivering strong results that are expected to increase further as the geographic expansion plan is executed.

The engineering sector, primarily through Brockman Engineering, met competitive local market conditions during the year. Ongoing performance continues to be underpinned by long term operations and maintenance contracts accounting for more than one third of the annual revenue. Recently commenced new management is providing strategic leadership in the business that will specifically focus on expanding the geographic project reach and capability that will derive profitable growth.

TSF Engineering has commenced delivery of the Melbourne Airport Tri-generation Plant that will provide clean energy to Melbourne's international gateway from 2015. The project is a component in the transformation to the clean energy generation sector that is expected to grow as the environmental and financial benefits of co-generation and tri-generation to the Australian manufacturing and large scale building sector become more widely recognised.



DIVIDENDS

No dividends were declared or paid during the year.

REVIEW OF ACTIVITIES

During the year under review the Company:

- Continued to roll out its clean energy strategy to targeted clients.
- Faced difficult trading conditions resulting from the prevailing economic conditions which have resulted in delays in the awarding and commencement of contracted work.
- Continued to expand its customer, product and geographic base from an increased investment in business development.

CHANGES IN STATE OF AFFAIRS

There was no change in the state of affairs.

SUBSEQUENT EVENTS

There have not been any matters or circumstances, other than those referred to in the financial statements or notes thereto, that have arisen since the end of the financial year, that have significantly affected, or may significantly affect, the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years after this financial year.

FUTURE DEVELOPMENTS

The Group will continue its focus on building its clean energy solutions strategy. Introduction of the clean energy strategy during the period has led to new project opportunities for the Group in the manufacturing and building sectors. Clean energy generation offering allows large electricity consumers to gain substantial operating, financial and environmental benefits. Increasing demand for clean, cost effective, reliable and environmentally sensitive power generation options is evident confirming strategic investment and future growth prospects in the sector.

PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under Section 237 of the Corporations Act 2001.

SHARE OPTIONS

There are no share options.

ENVIRONMENTAL REGULATIONS

The economic entity is not subject to any significant environmental regulations under a Commonwealth, State or Territory Law.

INSURANCE OF OFFICERS

During the financial year the Company insured the Directors and Officers of the Company against legal costs that may be brought against the Directors and Officers in their capacity as Officers of the Company. The policy provides for confidentiality with respect to its premium.

NON-AUDIT SERVICES

During the current and prior year there were no non-audit services provided by the Company's Auditors.

AUDITOR'S INDEPENDENCE DECLARATION

As required under Section 307C of the Corporations Act 2001, EVZ Limited has obtained an Independence Declaration from its auditors, Advantage Advisors. This is included on page 23 of this financial report.

REMUNERATION REPORT

This report details the nature and amount of remuneration for each Director of EVZ Limited and for key management personnel.

Remuneration policy

The remuneration policy of EVZ Limited has been designed to align Director and Executive remuneration with shareholder and business objectives by providing a fixed remuneration component and where appropriate offering specific short and long-term incentives based on key performance areas affecting the economic entity's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best Directors and Executives to govern and manage the economic entity, as well as create goal congruence between Directors, Executives and Shareholders.

Executive remuneration

The Board's policy for determining the nature and amount of remuneration for key senior Executives for the economic entity is as follows:

- The remuneration policy, setting the terms and conditions for Executive officers, was developed by the Remuneration Committee and approved by the Board after seeking professional advice where appropriate from independent external consultants.
- All Executives receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and where appropriate performance incentives.

The Remuneration Committee reviews Executive remuneration packages annually with reference to the economic entity's performance, each Executive's performance and comparable information from industry sectors and listed companies in similar industries.

The performance of each Executive is measured against criteria agreed with each Executive and is based predominantly on forecast growth of the economic entity's profits and shareholders' value. Bonuses and incentives will be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the Remuneration Committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of Executives and reward them for performance that results in long-term growth in shareholder wealth.

During the year to 30 June 2013 no incentives were paid to Executives of the economic entity (2012: $Nil).

Executives receive a superannuation guarantee contribution as required by the Government and do not receive any other retirement benefits. Individuals may choose to sacrifice part of their salary to increase payments towards superannuation. All remuneration paid to Executives is valued at the cost to the Company and expensed.

Director remuneration

The Board's policy is to remunerate Non-Executive Directors at appropriate market rates. The Remuneration Committee recommends the fee structure for Non-Executive Directors which will be determined by reference to market practice, duties performed, time, commitment and accountability. Director fees are reviewed annually by the Remuneration Committee.

The Remuneration Committee may seek independent advice in determining appropriate fee structures for Directors.

The maximum aggregate amount of fees payable to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the economic entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and may be able to participate in any employee share/option plan introduced.

All remuneration paid to Directors is valued at the cost to the Company and expensed.

Shares and options issued as part of remuneration

Shareholders had previously approved the EVZ Directors' and Employees' Benefits Plan (the "Plan") which allows employees, Directors and others ("Eligible Persons") to be granted shares, options and performance rights in the Company. The object of this Plan is to help the Company recruit, reward, retain and motivate its employees and Directors.

Such shares, options and performance rights would be offered only to those Eligible Persons entitled to receive an invitation. Those Eligible Persons would be:

- a Director or Secretary of a Group Company;
- an employee in permanent full-time or permanent part-time employment of a Group Company; or
- a contractor to a Group Company who is selected by the Board to participate in the Plan.

Invitations to Eligible Persons will be made by the Board and may be made subject to such conditions and rules as the Board determines, including:

- In the case of Options, the exercise period, the exercise price and the exercise conditions.
- In the case of Shares, the issue price payable on acceptance of the application by the Company and issue of the shares and any other specific terms and conditions of issue.
- In the case of Performance Rights, the performance criteria and the performance period in which those performance criteria must be satisfied.

The issue of any securities (including options or performance rights) issued to any Director or their associates will still require shareholder approval under ASX Listing Rule 10.14.

The maximum number of shares issued pursuant to the Plan would be not more than 5% of the equity interests in the Company.

During the year, 500,000 fully paid ordinary shares were issued under plan to Mr S Farthing. The shares, issued at 6.4 cents per share, related to an agreed allotment under the terms of an executed employment agreement with Mr Farthing. Shares were issued following completion of the necessary probationary period.

There were no other share-based payments in the year ended 30 June 2013.

Performance based remuneration

During the year to 30 June 2013, there was no performance based remuneration paid.

Company performance, Shareholder wealth and Directors' and Executives' remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and Directors and Executives.

Details of remuneration for the year ended 30 June 2013

The remuneration for each Director and each of key management personnel of the economic entity during the year was as follows:

	Short Term Employee Benefits		Post Employment Benefits	
	Salary	Fees	Superanuation Contributions	Total
Directors 2013	$	$	$	$
M Findlay	-	120,000	-	120,000
G Burns	-	45,000	-	45,000
R Edgley	-	45,000	-	45,000
R Murphy (appointed 28/9/12)	-	33,750	-	33,750
P Jones (resigned 28/8/12)	-	7,500	-	7,500
	-	**251,250**	**-**	**251,250**
Directors 2012				
M Findlay	-	110,000	-	110,000
P Jones	-	45,000	-	45,000
G Burns	-	45,000	-	45,000
R Edgley (appointed 26/8/11)	-	38,188	-	38,188
	-	**238,188**	**-**	**238,188**

Key management personnel of the economic entity

	Short Term Employee Benefits			Post Employment Benefits		
	Salary	**Share based Remuneration**	**Non cash benefits**	**Superannuation Contributions**	**Termination Benefits**	**Total**
2013	**$**	**$**	**$**	**$**	**$**	**$**
S Farthing (Chief Executive Officer – appointed 24/9/12)	275,792	32,000	859	12,669	-	321,320
I Wallace (Chief Financial Officer and Company Secretary)	218,946	-	12,147	25,000	-	256,093
A Bellgrove (General Manager Syfon Systems Group)	266,643	-	22,782	15,775	-	305,200
M Goddard (General Manager Brockman Engineering Pty Ltd)	251,178	-	13,204	20,518	-	284,900
A Green (General Manager TSF Engineering Group)	239,942	-	-	21,365	-	261,307
C Flanagan (Manager, TSF Maintenance Pty Ltd)	180,435	-	-	16,200	-	196,635
	1,432,936	**32,000**	**48,992**	**111,527**	**-**	**1,625,455**

Ms Murphy acted as interim Chief Executive Officer from 1 July 2012 to 24 September 2012. Ms Murphy was engaged on a contract basis through 333 Management Pty Ltd. Fees paid to 333 Management Pty Ltd relating to Ms Murphy's engagement as interim Chief Executive Officer were $77,172. Further fees of $150,000 were paid/payable to 333 Consulting Management Pty Ltd for other consulting services.

2012						
A Powis (Chief Executive Officer – retired 23/3/12)	252,126	-	13,067	16,625	157,200	439,018
I Wallace (Chief Financial Officer and Company Secretary)	191,570	-	16,729	50,000	-	258,299
A Bellgrove (General Manager Syfon Systems Group)	266,643	-	6,445	15,775	-	288,863
M Goddard (General Manager Brockman Engineering Pty Ltd	265,416	-	3,709	15,775	-	284,900
A Green (General Manager TSF Engineering Group)	239,953		-	21,295		261,248
S Fairbairn (General Manager, EVZ Energy Pty Ltd)	123,853	-	9,303	11,147	-	144,303
J Gonzalez (General Manager, National Engineering Pty Ltd – retired 13/1/12)	91,826		-	25,894	-	117,720
	1,431,387	**-**	**49,253**	**156,511**	**157,200**	**1,794,351**

Ms Murphy acted as interim Chief Executive Officer from 4 February 2012. Ms Murphy was engaged on a contract basis through 333 Management Pty Ltd. Fees paid to 333 Management Pty Ltd relating to Ms Murphy's engagement as interim Chief Executive Officer were $252,166.

Remuneration and other terms of employment for key Executives are formalized in employment service agreements. Each of these agreements may provide for the provision of other benefits including car allowances. These agreements have no fixed term. There are no other standard termination provisions excluding notice periods. Notice periods are generally between three and six months.

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

Director - M Findlay

Signed at Melbourne this 20th day of September 2013.

Corporate Governance Statement for the year ended 30 June 2013

Introduction

The board of EVZ Limited is committed to protecting shareholders' interests and ensuring investors are fully informed about the performance of the company's business. The directors have undertaken to perform their duties with honesty, integrity, care and diligence, according to the law and in a manner that reflects the highest standards of corporate governance.

The directors have established the processes to protect the interests and assets of shareholders and to ensure the highest standard of integrity and corporate governance of the company.

The Australian Securities Exchange Corporate Governance Council sets out best practice recommendations including corporate governance practices and suggested disclosures. ASX Listing Rules require companies to disclose the extent to which they have complied with the ASX recommendations and to give reasons for not following them.

Unless otherwise indicated, the best practice recommendations of the ASX Corporate Governance Council, including corporate governance practices and suggested disclosures, have been adopted by the company for the year ended 30 June 2013 as relevant to the size and complexity of the company and its operations. The board has adopted a formal board charter, audit committee charter, remuneration committee charter, nomination committee charter, external communications policy, continuous disclosure policy, securities trading policy and code of conduct for Directors and Officers.

PRINCIPLE 1: LAY A SOLID FOUNDATION 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 EVZ Limited board charter sets out the function and responsibilities of the board. The directors of the company are accountable to shareholders for the proper management of business and affairs of the company.

The key responsibilities of the board are to:
- establish, monitor and modify the corporate strategies of the company;
- ensure proper corporate governance;
- monitor and evaluate the performance of management of the company;
- ensure that appropriate risk management systems, internal control and reporting systems and compliance frameworks are in place and are operating effectively;
- assess the necessary and desirable competencies of board members, review board succession plans, evaluate its own performance and consider the appointment and removal of directors;
- consider executive remuneration and incentive policies, the company's recruitment, retention and termination policies and procedures for senior management and the remuneration framework for non-executive directors;
- monitor financial performance;
- approve decisions concerning the capital, including capital restructures, and dividend policy of the company; and
- comply with the reporting and other requirements of the law.

The board delegates responsibility for day-to-day management of the company to the chief executive officer (CEO), subject to certain financial limits. The CEO must consult the board on matters that are sensitive, extraordinary, of a strategic nature or matters outside the permitted financial limits.

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

The company has a duly appointed remuneration committee. The committee operates pursuant to the remuneration committee charter.

The primary responsibilities of the remuneration committee are:
- Establish appropriate remuneration policies for directors, the CEO and other senior executives which are effective in attracting and/or retaining the best directors and executives to monitor and manage EVZ Limited, whilst ensuring goal congruence between shareholders, directors and executives.
- Ensuring appropriate disclosure of remuneration in line with the Corporations Act, ASX Listing Rules and Corporate Governance guidelines.

All senior executives were reviewed during the financial year in accordance with the general process of review. In addition, pursuant to the board charter, the board conducted an annual review of itself during the financial year, taking into account developments, trends and standards set in the external market place.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1: A majority of the board should be independent directors

During the financial year, the board comprised of four directors, all of whom, including the chairman, are non-executive and independent directors. Profiles of the directors are set out in this annual report. All directors are subject to retirement by rotation in accordance with the Company's constitution but may stand for re-election by the shareholders.

The composition of the board is determined by the board and, where appropriate, external advice is sought. The board has adopted the following principles and guidelines in determining the composition of the board:

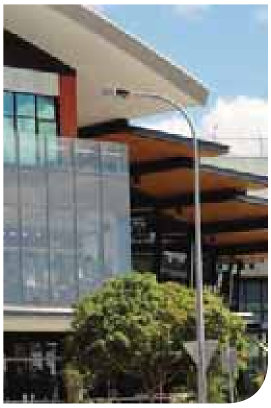
To be independent, a director ought to be non-executive and:
- not a current executive of the company;
- ideally not held an executive position in the company in the previous three years;
- not a nominee or associate of a shareholder holding more than 10% of the company's shares;
- not significantly involved in the value chain of the organisation, either upstream or downstream; and
- not a current advisor to the company receiving fees or some other benefit, except for approved director's fees.

Recommendation 2.2: The chair should be an independent director

The chairman, Max Findlay, is an independent director. He is responsible for the leadership of the board and he has no other positions that hinder the effective performance of this role.

Recommendation 2.3: The roles of chair and CEO should not be exercised by the same individual

The role of chairman is held by Max Findlay whilst the role of CEO is held by Scott Farthing (from 24 September 2012) and by Raelene Murphy on an interim basis prior to that date.



Recommendation 2.4: The board should establish a nomination committee

The company has a duly appointed nomination committee. The committee operates pursuant to a nomination committee charter. The charter sets out the responsibilities of the committee including reviewing board succession plans to ensure an appropriate balance of skills and expertise, developing policies and procedures for the appointments of directors and identifying directors with appropriate qualifications to fill board committee vacancies. The term of non-executive directorships is set out in the company's constitution.

Given the size of the board, the board has determined it appropriate for the nomination committee to consist of the full board of directors.

Recommendation 2.5: Companies should disclose the process for evaluating the performance of the board, its committees and individual directors

The board and its committees undertook self-assessment in accordance with their relevant charters during the financial year. Max Findlay conducts annual one-on-one personal performance discussions with each of the individual directors.

The board was provided with all company information it needed in order to effectively discharge its responsibilities and were entitled to, and did, request additional information when considered necessary or desirable.

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 to guide the directors, CEO, the chief financial officer (CFO) and other key executives in responsible decision-making

The company has developed codes of conduct to guide all of the company's employees, particularly directors, the CEO, the CFO and other senior executives, in respect of ethical behaviour. These codes are designed to maintain confidence in the company's integrity and the responsibility and accountability of all individuals within the company for reporting unlawful and unethical practices. These codes of conduct embrace such areas as:

- conflicts of interest
- corporate opportunities
- confidentiality
- fair dealing and trade practices
- protection of assets
- compliance with laws, regulations and industry codes
- 'whistle-blowing'
- security trading
- commitment to and recognition of the legitimate interests of stakeholders

Recommendation 3.2: Companies should establish a policy concerning trading in company securities by directors, senior executives and employees and disclose the policy

Directors and Officers are encouraged to be long-term holders of the company's shares. For Directors and Officers, the company has adopted a formal securities trading policy. Directors and Officers may not deal in any of the company's securities at any time if they have inside information. A director or officer may not trade in securities during black-out periods as determined by the board of directors. These periods generally relate to periods prior to the release to the ASX of the half-yearly and annual results or where the directors are aware of any price sensitive information. A director or officer may trade in securities at other times only if they are personally satisfied that they are not in possession of inside information.

Directors and Officers must immediately advise the company secretary in writing of the details of completed transactions. Such notification is necessary whether or not prior authority has been required. The secretary must maintain a register of securities transactions. The company must comply with its obligations to notify the ASX in writing of any changes in the holdings of securities or interest in securities by directors.

PRINCIPLE 4: SAFEGUARD THE INTEGRITY IN FINANCIAL REPORTING

Recommendation 4.1: The board should establish an audit committee

The board-appointed audit committee operates in accordance with the audit committee charter. The details of the committee meetings held during the year and attendance at those meetings are detailed in the directors' meeting schedule in the directors' report.

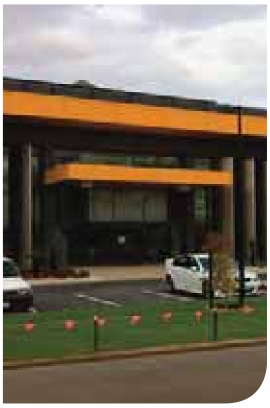
Recommendation 4.2: The audit committee should be structured so that it consists only of non-executive directors, consists of a majority of independent directors, is chaired by an independent chair, who is not chair of the board, and has at least three members

The composition of the company's audit committee was consistent in all aspects relating to recommendation 4.1. The audit committee consists of:
- Raelene Murphy (Chairperson) (appointed 28/9/12)
- Max Findlay
- Robert Edgley

Each of the members of the committee is an independent, non-executive director and the chairman of the committee is not the chairman of the board. The CEO and the CFO/company secretary may attend the meetings at the invitation of the committee.

All members of the committee are financially literate (i.e. they are able to read and understand financial statements) and have an understanding of the industry in which the company operates.

The audit committee provides an independent review of:
- financial information produced by the company;
- the accounting policies adopted by the company;
- the effectiveness of the accounting and internal control systems and management reporting which are designed to safeguard company assets;
- the quality of the external audit functions;
- external auditor's performance and independence as well as considering such matters as replacing the external auditor where and when necessary; and
- identifying risk areas.



Recommendation 4.3: The audit committee should have a formal charter

A formal audit committee charter has been adopted by the board. This charter sets out the roles, responsibilities, composition, structure and membership requirements of the audit committee.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1: Companies should establish written policies and procedures designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies

The board recognises that the company, as an entity listed on the ASX, has an obligation to make timely and balanced disclosure in accordance with the requirements of the Australian Securities Exchange Listing Rules and the Corporations Act 2001. The board also is of the view that an appropriately informed shareholder base and market is essential to an efficient market for the company's securities. The board is committed to ensuring that shareholders and the market have timely and balanced disclosure of matters concerning the company. In demonstration of this commitment, the company has adopted a formal external communications policy including a continuous disclosure policy.

In order to ensure the company meets its obligations of timely disclosure of such information, the company has adopted the following policies:

- immediate notification to the ASX of information concerning the company that a reasonable person would expect to have a material effect on the price or value of the company's securities as prescribed under listing rule 3.1, except where such information is not required to be disclosed in accordance with the exception provisions of the listing rules;
- the company has a website where all relevant information disclosed to the ASX will be promptly placed on the website following receipt of confirmation from the ASX and, where it is deemed desirable, released to the wider media; and
- the company will not respond to market rumours or speculation, except where required to do so under the listing rules.

Based on information provided to the company secretary by directors, officers and employees, the company secretary is responsible for determining which information is to be disclosed and for the overall administration of this policy.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

Recommendation 6.1: Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose that policy

The board recognises that shareholders are the beneficial owners of the company and respects their rights and is continually seeking ways to assist shareholders in the exercise of those rights. The board also recognises that as owners of the company the shareholders may best contribute to the company's growth, value and prosperity if they are appropriately informed. To this end the board seeks to empower shareholders by:

- communicating effectively with shareholders;
- enabling shareholders to have access to balanced and understandable information about the company and its operations; and
- promoting shareholder participation in general meetings.

All shareholders are entitled to receive a copy of the company's annual report. In addition, the company's website will provide opportunities to shareholders to access company announcements, media releases and financial reports.

The board is committed to assisting shareholders' participation in meetings and has adopted the following measures:

- adoption of the ASX Corporate Governance Council's recommendation and guidelines as published in the Council's *Principles of Good Governance and Best Practice Recommendations* in respect of notices of meetings; and
- ensuring that a representative of the company's external auditor, subject to availability, is present at all annual general meetings and that shareholders have adequate opportunity to ask questions of the auditor at that meeting concerning the audit and preparation and content of the auditor's report.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1: Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies

The board has overall responsibility to all stakeholders for the identification, assessment, management and monitoring of the risks faced by the company. The company currently has informal policies and procedures for risk management but the audit committee seeks to ensure compliance with regulatory requirements. The operational risks are managed at the senior management level and escalated to the board for direction where the issue is exceptional, non-recurring or may impose a material financial or operational burden on the company. The relatively small size of the company means that communication and decision-making is predominantly centralised allowing early identification of risks by senior management. It also allows senior management to respond to each risk as appropriate without the need for a written risk management policy.

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

Given the relatively small and centralised management team, the nature of the business of the company and that a majority of independent directors sits on the audit committee, the board is continuously kept informed of the effectiveness of the company's internal control systems.

The board continues to formalise risk management policies. In addition, the CEO and CFO have informed the board that the integrity of the financial statements is founded on a system of risk management and internal control which supports the policies adopted by the board and that the company's risk management and internal control system is operating effectively in all material respects to manage the company's material business risks.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1: The board should establish a remuneration committee

The company has a duly appointed remuneration committee. The committee operates pursuant to the remuneration committee charter.

The remuneration committee consists of:
- Graham Burns (Chairman)
- Max Findlay
- Rob Edgley (appointed 28/9/12)

The primary responsibilities of the remuneration committee are:
- Establish appropriate remuneration policies for directors, the CEO and other senior executives which are effective in attracting and/or retaining the best directors and executives to monitor and manage EVZ Limited, whilst ensuring goal congruence between shareholders, directors and executives.
- Ensuring appropriate disclosure of remuneration in line with the Corporations Act, ASX Listing Rules and Corporate Governance guidelines.

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 by way of fees. They may receive options (subject to shareholder approval) but there is no scheme for retirement benefits, other than statutory superannuation. Executives are paid a salary and may be provided with shares and/or options and bonuses as part of their remuneration and incentive package.

There are no executive directors.

DIVERSITY POLICY

The Group's ultimate success is under-pinned by its employees. To maximise success, the Group encourages a diverse population of employees within its operations.

Diversity is defined to include race, ethnicity, gender, sexual orientation, socio-economic status, culture, age, physical ability, education, skill levels, family status, religious, political and other beliefs and work styles. The Group recognises that differences in ideas, backgrounds, patterns of thinking and approaches to work can generate value for the Group's stakeholders: its customers, shareholders, personnel and the communities in which it operates. It is the Group's policy to promote these differences within a productive, inclusive and performance-based environment in which everybody feels valued, where their skills are fully utilised, their performance is recognised, professional accountability is expected and organisational goals are met.

The Group's approach to diversity is based on the following objectives:

- retain, promote and hire the best people possible, focusing on actual and potential contribution in terms of performance, competence, collaboration and professional accountability;
- foster an inclusive culture and ensure that current and future employee opportunities are based on competence and performance, irrespective of race, ethnicity, gender, sexual orientation, socio-economic status, culture, age, physical ability, education, family status, religious, political and other beliefs and work styles. This includes being intolerant of behaviour that denigrates or otherwise diminishes such attributes or that discriminates on the basis of such attributes;
- create and manage appropriate human resource processes which take a unified and talent-based approach to recruitment, training and development, performance management, retention and succession planning;
- provide a fair level of reward in order to attract and retain high calibre people – and build a culture of achievement by providing a transparent link between reward and performance; and
- be compliant with all mandatory diversity reporting requirements.

The Group's Measurable Objective and Current Gender Profile:

The Group's measurable objective for increasing gender diversity is to increase the representation of women at all levels of its organisation over time. The Group's progress towards achieving that objective, along with the proportion of women employees within the Group, women in senior executive positions and women non-executive directors, is set out in the table below:

	2013		2012	
Measure	**No.**	**%**	**No.**	**%**
Women employees	16	6	24	8
Women senior executives *	0	0	1	20
Women non-executive directors	1	25	0	0

* This includes both employees and specific contractors engaged by the Group.

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 there have been:

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

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

Advantage Advisors

ADVANTAGE ADVISORS AUDIT PARTNERSHIP
CHARTERED ACCOUNTANTS

James Ridley

JAMES RIDLEY
PARTNER

Dated in Melbourne on this 20th day of September 2013

Financial Statements
EVZ Limited and Controlled Entities
ABN 87 010 550 357

Consolidated Statement of Profit or Loss for the year ended 30 June 2013

	Notes	Economic Entity 2013 $	Economic Entity 2012 $
Revenue		57,202,336	62,561,655
Cost of sales		(45,067,324)	(50,443,540)
Gross profit		12,135,012	12,118,115
Other income	2(a)	90,981	77,197
Administration costs		(7,561,673)	(9,393,577)
Business development costs		(1,459,145)	(1,208,270)
Corporate costs		(1,233,751)	(1,789,224)
Impairment of intangibles		-	(7,900,000)
Results from operating activities		1,971,424	(8,095,759)
Net finance costs	2(c)	(1,229,749)	(1,031,572)
Profit /(Loss) before income tax from continuing operations		741,675	(9,127,331)
Income tax expense/(benefit)	3	(148,093)	(318,215)
Profit/(Loss) from continuing operations	2	889,768	(8,809,116)
Loss from discontinued operations after tax	2(d)	-	(5,340,784)
Profit/(Loss) for year		**889,768**	**(14,149,900)**
Net Profit/(Loss) attributable to:			
Members of the parent entity		889,768	(14,077,481)
Non-controlling interest		-	(72,419)
		889,768	**(14,149,900)**

		Cents per share	Cents per share
Overall operations			
Basic earnings per share	17	0.43	(6.8)
Diluted earnings per share	17	0.43	(6.8)
Continuing operations			
Basic earnings per share	17	0.43	(4.24)
Diluted earnings per share	17	0.43	(4.24)
Discontinued operations			
Basic earnings per share	17	-	(2.57)
Diluted earnings per share	17	-	(2.57)

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2013

	Notes	Economic Entity 2013 $	Economic Entity 2012 $
Profit/(Loss) for the year		889,768	(14,149,900)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations	16(b)	135,026	(4,421)
Non-controlling interest		72,419	-
Total comprehensive income/(loss) for the year attributable to owners of the company		**1,097,213**	**(14,154,321)**
Total comprehensive income/(loss) for the year attributable to:			
Members of the parent entity		1,097,213	(14,081,902)
Non-controlling interest		-	(72,419)
		1,097,213	**(14,154,321)**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 30 June 2013

	Notes	Economic Entity 2013 $	Economic Entity 2012 $
CURRENT ASSETS			
Cash and cash equivalents	22	2,607,853	4,303,530
Trade and other receivables	4	15,424,497	11,551,418
Inventories	5	1,703,463	1,892,032
Financial assets	6	82,851	-
TOTAL CURRENT ASSETS		19,818,664	17,746,980
NON-CURRENT ASSETS			
Trade and other receivables	4	387,796	430,220
Plant and equipment	7	5,586,374	6,273,610
Deferred tax assets	8	3,404,715	3,187,157
Intangible assets	9	19,989,290	19,989,290
Financial assets	6	27,604	114,554
TOTAL NON-CURRENT ASSETS		29,395,779	29,994,831
TOTAL ASSETS		**49,214,443**	**47,741,811**
CURRENT LIABILITIES			
Trade and other payables	10	12,268,452	8,743,638
Tax liabilities	8	29,391	-
Short-term borrowings	11	11,758,306	4,439,843
TOTAL CURRENT LIABILITIES		24,056,149	13,183,481
NON-CURRENT LIABILITIES			
Long-term borrowings	12	176,188	9,608,139
Deferred tax liabilities	8	49,588	19,838
Other long-term provisions	13	55,934	1,182,982
TOTAL NON-CURRENT LIABILITIES		281,710	10,810,959
TOTAL LIABILITIES		**24,337,859**	**23,994,440**
NET ASSETS		**24,876,584**	**23,747,371**
EQUITY			
Issued capital	14	46,055,159	46,023,159
Reserves	16	(40,933)	22,741
Accumulated losses	16	(21,137,642)	(22,226,110)
PARENT ENTITY		24,876,584	23,819,790
Non-controlling interest		-	(72,419)
TOTAL EQUITY		**24,876,584**	**23,747,371**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the year ended 30 June 2013

ECONOMIC ENTITY	Issued Capital	Accumulated Losses	Capital Reserves	Foreign Currency Translation Reserve	Sub-Total	Non Controlling Interest	Total
30 June 2013	$	$	$	$	$	$	$
Balance at 1 July 2012	46,023,159	(22,226,110)	198,700	(175,959)	23,819,790	(72,419)	23,747,371
Total comprehensive loss for year							
Profit for year	-	889,768	-	-	889,768	-	889,768
Transfer from capital reserve	-	198,700	(198,700)	-	-	-	-
Foreign currency translation reserve	-	-	-	135,026	135,026	-	135,026
Non-controlling interest	-	-	-	-	-	72,419	72,419
Total comprehensive loss for year	**-**	**1,088,468**	**(198,700)**	**135,026**	**1,024,794**	**72,419**	**1,097,213**
Transactions with owners, recorded directly in equity							
Shares issued	32,000	-	-	-	32,000	-	32,000
Dividends	-	-	-	-	-	-	-
Balance at 30 June 2013	**46,055,159**	**(21,137,642)**	**-**	**(40,933)**	**24,876,584**	**-**	**24,876,584**
30 June 2012							
Balance at 1 July 2011	46,023,159	(8,148,629)	198,700	(171,538)	37,901,692	-	37,901,692
Total comprehensive loss for year							
Loss for year	-	(14,077,481)	-	-	(14,077,481)	(72,419)	(14,149,900)
Foreign currency translation reserve	-	-	-	(4,421)	(4,421)	-	(4,421)
Total comprehensive loss for year	-	(14,077,481)	-	(4,421)	(14,081,902)	(72,419)	(14,154,321)
Transactions with owners, recorded directly in equity							
Shares issued	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Balance at 30 June 2012	**46,023,159**	**(22,226,110)**	**198,700**	**(175,959)**	**23,819,790**	**(72,419)**	**23,747,371**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
for the year ended 30 June 2013

	Notes	Economic Entity 2013 $	Economic Entity 2012 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		58,409,897	85,649,506
Payments to suppliers & employees (inclusive of GST)		(56,906,095)	(85,593,828)
Income tax paid		(33,813)	(52,359)
Interest received		68,726	108,256
Finance costs		(1,298,475)	(1,261,740)
NET CASH FLOWS PROVIDED/(USED) BY OPERATING ACTIVITIES	22(ii)	**240,240**	**(1,150,165)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		24,800	37,923
Purchase of plant and equipment		(749,994)	(2,185,066)
Proceeds from disposal of controlled entity		196,075	-
NET CASH FLOWS (USED) BY INVESTING ACTIVITIES		**(529,119)**	**(2,147,143)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank loans		-	2,500,000
Repayment of bank loans		(1,000,000)	(1,812,500)
Proceeds from lease financing		148,637	508,080
Payments for lease financing		(146,195)	(195,944)
Proceeds from other loans		-	325,000
NET CASH FLOWS PROVIDED/(USED) BY FINANCING ACTIVITIES		**(997,558)**	**1,324,636**
NET DECREASE IN CASH HELD		(1,286,437)	(1,972,672)
Cash at beginning of financial year		1,479,195	3,451,867
CASH AT END OF FINANCIAL YEAR	22(i)	**192,758**	**1,479,195**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of EVZ Limited and controlled entities ('Economic Entity' or 'Group').

Basis of Preparation

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

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

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

Accounting Policies

(a) Principles of Consolidation

A controlled entity is any entity EVZ Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities. A list of controlled entities is contained in Note 29 to the financial statements. All controlled entities have a June financial year-end. All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (ie parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill (refer to Note 1(i)) or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of profit or loss and other comprehensive income.

(b) 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 reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant tax 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.

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 where the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probably 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 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.

EVZ Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and credits which are immediately assumed by EVZ Limited. The current tax liability of each group entity is then subsequently assumed by EVZ Limited. The group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 7 June 2004. The tax consolidated group has entered a tax sharing arrangement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

(d) Construction Contracts and Work in Progress

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

Construction profits are recognised on the stage of completion basis and measured using the proportion of costs incurred to date as compared to expected actual costs. Where losses are anticipated they are provided for in full. Construction revenue has been recognised on the basis of the terms of the contract adjusted for any variations or claims allowable under the contract.

(e) Plant and Equipment

Each class of plant and equipment is carried at cost less where applicable, any accumulated depreciation and impairment losses.

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

Depreciation

The depreciable amount of all fixed assets and capitalised lease assets, is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
• Plant and equipment	5 to 30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(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, are transferred to entities in the economic entity are classified as finance leases.

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

Leased assets are depreciated on a straight-line basis over their estimated useful lives.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged on a straight line basis over the period of the lease.

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

(g) Financial instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

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

Derecognition

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

Financial Assets

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 stated at amortised cost using the effective interest rate method.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

(h) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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

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

(i) Intangibles

Goodwill

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

(j) Foreign Currency Transactions and Balances

Functional and Presentation Currency

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

Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the income statement.

Group Companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the income statement in the period in which the operation is disposed.

(k) Employee Benefits

Provision is made for the economic entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

The group operates an equity-settled share-based payment employee share scheme. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense with a corresponding increase to an equity account. The shares issued under the employee share scheme vest immediately.

(l) Provisions

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

(m) Cash and Cash Equivalents

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

(n) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Contract revenue is recognised in accordance with Note 1(d).

(o) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the income statement in the period in which they are incurred.

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian 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 balance sheet are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(q) Comparative Figures

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

(r) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates – Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the cash generating unit is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. Refer Note 9 for key estimates used in the assessment of goodwill.

At 30 June 2013, receivables from continuing operations were impaired by $84,304.

No impairment has been recognised in respect of plant and equipment for the year ended 30 June 2013.

(s) New and Amended Accounting Standards

During the current year the Group adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. There has been no financial impact on their adoption. Also refer to Note 33.

The financial report was authorised for issue on 20 September 2013 by the Board of Directors.

2. PROFIT/(LOSS) FROM CONTINUING OPERATIONS

	Economic Entity 2013 $	Economic Entity 2012 $
(a) OTHER INCOME		
Sundry income	90,981	77,197
	90,981	**77,197**
(b) EXPENSES		
Movement in employee benefits	138,083	(102,040)
Bad debts	14,516	74,414
Impairment – receivables	(190,704)	123,067
Total employee costs	28,637,645	30,467,828
Foreign exchange losses	27,725	18,441
Losses on sale of plant and equipment	28,653	6,818
Operating lease payments	849,031	1,050,817
Depreciation of plant and equipment	746,783	794,800
(c) NET FINANCE COSTS		
Finance costs – other persons	1,298,475	1,137,540
Interest income – other persons	(68,726)	(105,968)
	1,229,749	**1,031,572**

(d) LOSS FROM DISCONTINUED OPERATIONS

In the prior year, the company sold its National Engineering business. The financial performance of the discontinued operation for the prior period, which is included in the comparative loss from discontinued operations per the Consolidated Statement of Profit or Loss and Other Comprehensive Income, is as follows:

Revenue	-	10,507,278
Other income	-	51,625
Expenses	-	(16,543,042)
	-	(5,984,139)
Net finance costs	-	(121,912)
Net loss from discontinued operations before tax	-	(6,106,051)
Income tax benefit	-	765,267
Loss from discontinued operations	**-**	**(5,340,784)**

3. INCOME TAX

	Economic Entity 2013 $	Economic Entity 2012 $
(a) The prima facie tax on profit/(loss) before income tax from continuing operations is reconciled to income tax as follows:		
Profit/(Loss) before Income Tax	741,675	(9,127,331)
Income tax calculated at 30% (2012: 30%)	222,503	(2,738,199)
Tax effect of permanent differences	(445,338)	2,369,881
Under provision/(over provision) in prior years	5,277	26,064
Taxation expense - offshore subsidiary	69,465	24,039
Income tax expense/(benefit)	**(148,093)**	**(318,215)**
The applicable weighted average effective tax rates are as follows:	(20%)	*(3%)*
(b) The components of tax expense comprise:		
Current tax	(148,977)	(221,040)
Deferred tax	(4,393)	(123,239)
Under provision/(over provision) in prior years	5,277	26,064
	(148,093)	**(318,215)**

4. TRADE AND OTHER RECEIVABLES

Current		
Trade receivables	12,604,515	9,507,649
Provision for impairment	(84,304)	(275,008)
	12,520,211	9,232,641
Amounts due from customers for construction contracts (refer Note 31)	1,871,742	1,280,701
Retention receivables	331,773	165,148
	14,723,726	10,678,490
Other debtors and prepayments	700,771	872,928
	15,424,497	**11,551,418**
Non-Current		
Retention receivables	387,796	430,220
	387,796	**430,220**

All trade and other receivables are classified as financial assets (refer Note 27).

Market practices provide for the retention of monies from progress and final billings on certain construction contracts. The monies are received after a contracted period of time has elapsed following completion of the construction.

Current trade receivables are non-interest bearing and generally on 30 days' terms. Non-current trade receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired.

There are no other balances other than those impaired within trade and other receivables that contain assets that are impaired. It is expected these balances will be received when due. Impaired assets are provided for in full.

4. TRADE AND OTHER RECEIVABLES (Continued)

Credit Risk – Trade and Other Receivables

The group has no significant concentration of credit risk with respect to any single counter party or group of counter parties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the group.

On a geographical basis, the group has credit risk exposures in Australia and Asia given the substantial operations in those regions. The group's exposure to credit risk for receivables at reporting date in those regions is as follows:

	Economic Entity 2013 $	Economic Entity 2012 $
Australia	13,943,795	10,691,471
Asia	1,868,498	1,290,167
	15,812,293	**11,981,638**

The following table details the group's trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the group.

	Gross Amount	Past Due and Impaired	Past Due not Impaired (Days Overdue)			Within Trading Terms
			< 30 days	31 - 60 days	> 61 days	
	$	$	$	$	$	$
Economic entity						
2013						
Trade and term receivables	15,195,826	84,304	1,923,611	404,602	1,512,154	11,271,155
Other receivables	700,771	-	-	-	-	700,771
	15,896,597	84,304	1,923,611	404,602	1,512,154	11,971,926
2012						
Trade and term receivables	11,383,718	275,008	2,419,911	887,741	726,432	7,074,626
Other receivables	872,928	-	-	-	-	872,928
	12,256,646	275,008	2,419,911	887,741	726,432	7,947,554

The economic entity holds no financial assets with terms that have been negotiated, but which would otherwise be past due or impaired.

Trade and other receivables pertaining to the Australian entities in the group, as disclosed in Note 32, are provided as security against the group's bank facilities. Also refer Notes 11 and 12.

5. INVENTORIES

	Economic Entity 2013 $	Economic Entity 2012 $
Current		
Raw materials and stores – at cost	1,703,463	1,892,032
	1,703,463	**1,892,032**

Inventories pertaining to the Australian entities in the group, as disclosed in Note 32, are provided as security against the group's bank facilities. Also refer Notes 11 and 12.

6. FINANCIAL ASSETS

Current assets		
Funds on deposit	82,851	-
	82,851	**-**
Non-current assets		
Funds on deposit	27,604	114,554
	27,604	**114,554**

Funds on deposit represent a security deposit covering a guarantee for property lease obligations and security deposits against contract performance bonds.

7. PLANT AND EQUIPMENT

Plant and equipment		
At cost	9,984,690	10,007,235
Accumulated depreciation	(4,398,316)	(3,733,625)
	5,586,374	**6,273,610**
Movement in carrying amounts		
Carrying amount – opening balance	6,273,610	6,029,408
Additions	749,994	2,185,066
Disposals	(727,412)	(920,025)
Depreciation	(746,783)	(1,020,403)
Exchange rate adjustment	36,965	(436)
Carrying amount – closing balance	**5,586,374**	**6,273,610**

Plant and equipment pertaining to the Australian entities in the group, as disclosed in Note 32, are provided as security against the group's bank facilities. Also refer Notes 11 and 12.

8. TAX ASSETS

	Economic Entity 2013 $	Economic Entity 2012 $
NON-CURRENT		
Deferred tax assets	**3,404,715**	**3,187,157**
Deferred tax assets comprise:		
Provisions	670,918	647,555
Other	50,868	78,627
Un-recouped tax losses	2,682,929	2,460,975
	3,404,715	**3,187,157**

The movement in deferred tax assets for each temporary difference during the year is as follows:

	Economic Entity 2013 $	Economic Entity 2012 $
Provisions		
Opening balance	647,555	1,061,674
Credited/(expensed) to income account	23,363	(414,119)
	670,918	647,555
Other		
Opening balance	78,627	92,556
Credited/(expensed) to income account	(27,759)	(13,929)
	50,868	78,627
Unrecouped tax losses		
Opening balance	2,460,975	922,972
Tax losses recognised/(recouped)	227,231	1,527,871
Prior year adjustment	(5,277)	10,132
	2,682,929	2,460,975
Closing balance	**3,404,715**	**3,187,157**

	Economic Entity 2013 $	Economic Entity 2012 $
TAX LIABILITIES		
CURRENT		
Income Tax	29,391	-
NON-CURRENT		
Provision for deferred tax	49,588	**19,838**
Opening balance	19,838	18,068
Additional provisions raised during year	27,250	1,846
Exchange rate movement	2,500	(76)
Closing balance	**49,588**	**19,838**

9. INTANGIBLE ASSETS	Economic Entity 2013 $	Economic Entity 2012 $
Goodwill on consolidation – at cost	3,282,532	3,282,532
Less accumulated impairment	-	-
	3,282,532	3,282,532
Goodwill on acquisition – at cost	24,606,758	24,606,758
Less accumulated impairment	(7,900,000)	(7,900,000)
	16,706,758	16,706,758
	19,989,290	**19,989,290**

Movements in carrying amounts

Goodwill on consolidation		
Opening balance	3,282,532	3,282,532
Movement in the year	-	-
Closing balance	**3,282,532**	**3,282,532**
Goodwill on acquisition		
Opening balance	24,606,758	26,060,244
Impairment – National Engineering	-	(1,453,486)
Impairment – TSF Engineering	(7,900,000)	(7,900,000)
Closing balance	**16,706,758**	**16,706,758**

It has been determined that the balances of the goodwill have an indefinite life. The excess of the fair value of net assets over the purchase price of the businesses acquired has been allocated to goodwill rather than be allocated to other intangible assets. The acquisition of the businesses that generate the goodwill was determined on the abilities of the entities, as a whole, to generate future profits and hence other intangibles have not been recognised.

Goodwill is allocated to cash-generating units which are based on the group's individual companies. All businesses operate in the engineering services industry sector.

Water Group – Syfon Systems	3,282,532	3,282,532
Engineering Group – Brockman Engineering	8,789,478	8,789,478
Energy Group - TSF Engineering	15,817,280	15,817,280
Impairment	(7,900,000)	(7,900,000)
	19,989,290	**19,989,290**

In the prior year the net carrying value of the goodwill relating to National Engineering of $1,453,486 was written off following the closure of the cash generating unit.

Impairment Disclosures

The EVZ Group assesses at each annual reporting date the potential impairment to the carrying value of Goodwill of the relevant cash generating unit (CGU).

The recoverable amount of each CGU (Brockman Engineering, Syfon Systems and TSF Engineering) is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a five year period adjusted for the estimated terminal value of the cash generating unit. The cash flows are discounted using a rate reflecting the Group's weighted average cost of capital plus an appropriate margin for risk factors at the beginning of the budget period.
All discount rates are pre-tax.

9. INTANGIBLE ASSETS (Continued)

Budgets use estimated weighted average growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the periods which are consistent with inflation rates applicable to the locations in which the businesses operate.

The following assumptions were used in the value-in-use calculations:

	Growth Rates 2013	Discount Rates 2013	Growth Rates 2012	Discount Rates 2012
Syfon Systems Group	5%	20%	5%	20%
Brockman Engineering Group	5%	20%	5%	20%
TSF Engineering Group	5%	20%	5%	20%

10. TRADE AND OTHER PAYABLES

	Economic Entity 2013 $	Economic Entity 2012 $
Current – unsecured		
Trade payables	5,220,074	4,111,716
Sundry payables and accrued expense	4,885,982	2,719,537
Employee benefits	2,162,396	1,912,385
	12,268,452	**8,743,638**

Financial liabilities classified as trade and other payables

Trade and other payables - current	12,268,452	8,743,638
Less: Employee leave entitlements	(2,162,396)	(1,912,385)
Financial liabilities as trade and other payables	**10,106,056**	**6,831,253**

11. BORROWINGS - SHORT TERM

Bank loans – secured	9,250,000	1,000,000
Bank overdraft – secured	2,415,095	2,824,335
Lease liabilities (Note 24) – secured	93,211	290,508
Other loans - unsecured	-	325,000
	11,758,306	**4,439,843**

Bank Loans - Secured

Bank loans are in the form of Commercial Bank Bill facilities. The maturity schedule for the Commercial Bank Bill facilities is as follows:

Current	9,250,000	1,000,000
1 to 2 years	-	7,750,000
2 to 3 years	-	1,500,000
Total Bank Loans	**9,250,000**	**10,250,000**

11. BORROWINGS - SHORT TERM (Continued)

The interest rates on outstanding Commercial Bank Bills totalling $6,750,000 have been fixed as follows:

Commercial Bank Bills 2013 $	Commercial Bank Bills 2012 $	Interest Rates 2013	Interest Rates 2012
4,250,000	4,250,000	4.55%	4.55%
2,500,000	3,500,000	3.63%	5.67%
6,750,000	**7,750,000**		

The interest rates on Commercial Bank Bills totalling $2,500,000 are variable at balance date.

Bank loans are secured by a registered equitable mortgage over the assets and undertakings of EVZ Limited and an unlimited guarantee from EVZ Limited's Australian controlled entities: Syfon Systems Pty Ltd, Brockman Engineering Pty Ltd, NuSource Water Pty Ltd, A.C.N. 124919508 Pty Ltd (formerly National Engineering Pty Ltd), TSF Engineering Pty Ltd and TSF Maintenance Services Pty Ltd. Also refer to Note 32 for quantification of assets secured by Australian entities.

At 30 June 2013 the economic entity has $Nil in undrawn commercial bill facilities (2012: $1,000,000).

The Company has been unable to satisfy two of its three bank covenants at 30 June 2013. The Commonwealth Bank of Australia have, effective 30 June 2013, accepted the Company's performance against the covenants and have not changed existing banking facilities. However, given the inability to meet those covenants, all bank loans have been classified as current at 30 June 2013.

12. BORROWINGS - LONG TERM

	Economic Entity 2013 $	Economic Entity 2012 $
Bank loans – secured	-	9,250,000
Lease liabilities (Note 24) – secured	176,188	358,139
	176,188	**9,608,139**

Also refer to Note 11 for further information on bank loans.

13. OTHER LONG TERM PROVISIONS

Non-current		
Employee benefits	55,934	167,862
Closure costs	-	1,015,120
	55,934	**1,182,982**
Movement in employee benefits:		
Opening employee balance	167,862	177,319
Provisions created/(utilised) during year	(111,928)	(9,457)
Closing balance	**55,934**	**167,862**

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measure and recognition criteria relating to employee benefits are disclosed in Note 1(k). The prior year closure provisions related to the estimated remaining costs associated with the closure of the National Engineering business.

14. ISSUED CAPITAL	Economic Entity 2013 $	Economic Entity 2012 $
Issued and paid up		
208,439,414 ordinary shares		
(2012: 207,939,414 ordinary shares) – refer Note 14(a)	46,055,159	46,023,159
	46,055,159	**46,023,159**

(a) Issued and fully paid up ordinary shares

	2013 $	2012 $
Opening balance	46,023,159	45,757,195
Conversion of employee shares	-	265,964
Issue	32,000	-
Closing balance – 30 June 2013	**46,055,159**	**46,023,159**

	2013 No.	2012 No.
Opening balance	207,939,414	207,420,868
Conversion of employee shares	-	518,546
Issue	500,000	-
Closing balance – 30 June 2013	**208,439,414**	**207,939,414**

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. The ordinary shares have no par value.

(b) Fully paid employee shares

During the prior year, all employee shares were converted to ordinary fully paid shares.

	2013 $	2012 $
Opening balance	-	265,964
Conversion of employee shares	-	(265,964)
Closing balance – 30 June 2013	**-**	**-**

	2013 No.	2012 No.
Opening balance	-	518,546
Conversion of employee shares	-	(518,546)
Closing balance – 30 June 2013	**-**	**-**

14. ISSUED CAPITAL (Continued)

c) Share options

There are no share options on issue at 30 June 2013 (2012: Nil).

(d) Capital management:

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

There are no externally imposed capital requirements. Management effectively manages the economic entity's capital by assessing the economic entity'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.

The economic entity's gearing ratio is represented as net debt as a percentage of total capital and is determined as follows:

- Net debt is total bank borrowings less cash and cash equivalents.
- Total capital is total equity and net debt.

As at 30 June 2013 the economic entity's gearing ratio was 27% (2012: 29%).

15. DIVIDENDS	Economic Entity 2013 $	Economic Entity 2012 $
Interim fully franked ordinary dividend	-	-
Final fully franked ordinary dividend	-	-
	-	-
Balance of Franking Account	1,847,610	1,848,776

16. RESERVES AND ACCUMULATED LOSSES

	Economic Entity 2013 $	Economic Entity 2012 $
(a) Accumulated Losses		
Accumulated losses at the beginning of the financial year	(22,226,110)	(8,148,629)
Transfer from capital reserves	198,700	-
Net profit/(loss) attributable to members of the parent entity	889,768	(14,077,481)
Accumulated losses at the end of the financial year	**(21,137,642)**	**(22,226,110)**
(b) Reserves		
Capital Reserve		
Reserve at beginning of year	198,700	198,700
Movement for year	(198,700)	-
Reserves at end of year	-	**198,700**
Foreign Currency Translation Reserve		
Reserve at beginning of year	(175,959)	(171,538)
Movement for year	135,026	(4,421)
	(40,933)	**(175,959)**
Reserve at end of year	**(40,933)**	**22,741**

Capital reserves representing capital profits were transferred to accumulated losses during the year.

17. EARNINGS PER SHARE

	2013 No.	2012 No.
(a) Weighted average number of ordinary shares outstanding during the year used in calculation of Basic Earnings per Share	208,125,715	207,939,414
(b) Weighted average number of ordinary shares outstanding during the year used in calculation of Diluted Earnings per Share	208,125,715	207,939,414

18. KEY MANAGEMENT PERSONNEL

Names and positions of directors and key management personnel in office at any time during the financial year are:

Mr M Findlay	Non-Executive Chairman
Mr G Burns	Non-Executive Director
Mr R Edgley	Non-Executive Director
Ms R Murphy (appointed 28/9/12)	Non-Executive Director
Mr S Farthing (appointed 24/9/12)	Chief Executive Officer
Mr I Wallace	Chief Financial Officer and Company Secretary
Mr A Bellgrove	General Manager of Syfon Systems Group
Mr M Goddard	General Manager of Brockman Engineering
Mr A Green	General Manager of TSF Engineering Group
Mr C Flanagan	Manager of TSF Maintenance Services
Ms R Murphy (resigned 24/9/12)	Interim Chief Executive Officer
Mr P Jones (resigned 28/8/12)	Non-Executive Director

Mr C Bishop commenced as General Manager of Brockman Engineering on 1 July 2013.

Remuneration of key management personnel is:

	Economic Entity 2013 $	Economic Entity 2012 $
Short term employee benefits	1,765,178	1,718,828
Post employment benefits	111,527	313,711
Consulting fees	77,172	252,166
	1,953,877	**2,284,705**

Ms Murphy acted as interim Chief Executive Officer to 24 September 2012. Ms Murphy was engaged on a contract basis through 333 Management Pty Ltd. Fees paid to 333 Management Pty Ltd relating to Ms Murphy's engagement as interim Chief Executive Officer were $77,172. Further fees totalling $150,000 were also paid to 333 Management Consulting Services Pty Ltd for other services.

Also refer to disclosures in Note 20 for other transactions with directors and key management personnel.

The number of ordinary shares held by each key management personnel of the Group during the financial year is as follows:

30 June 2013	Balance at beginning of year	Granted as Remuneration	Other Changes	Balance at end of year
M Findlay	1,345,000	-	299,500	1,644,500
G Burns	8,546,389	-	452,632	8,999,021
R Edgley	975,000	-	1,825,000	2,800,000
Ms R Murphy (appointed 28/9/12)	-	-	42,500	42,500
P Jones (resigned 28/8/12)	8,000,000	-	(8,000,000)	-
S Farthing	-	500,000	500,000	1,000,000
I Wallace	75,008	-	-	75,008
M Goddard	421,949	-	-	421,949
A Bellgrove	4,401,949	-	-	4,401,949
A Green	54,000	-	78,000	132,000
C Flanagan	-	-	6,500	6,500
	23,819,295	**500,000**	**(4,795,868)**	**19,523,427**

Since the end of the financial year, Directors have acquired a further 559,232 shares.

18. KEY MANAGEMENT PERSONNEL (Continued)

30 June 2012	Balance at beginning of year	Granted as Remuneration	Other Changes	Balance at end of year
M Findlay	1,345,000	-	-	1,345,000
P Jones (resigned 28/8/12)	8,000,000	-	-	8,000,000
G Burns	6,000,000	-	2,546,389	8,546,389
R Edgley (appointed 26/8/11)	-	-	975,000	975,000
R Murphy (appointed 3/2/12, resigned 24/9/12)	-	-	-	-
I Wallace	75,008	-	-	75,008
M Goddard	421,949	-	-	421,949
A Bellgrove	4,401,949	-	-	4,401,949
A Green	54,000	-	-	54,000
A Powis (retired 23/3/12)	8,571,949	-	(8,571,949)	-
	28,869,855	**-**	**(5,050,560)**	**23,819,295**

There are no share options issued at 30 June 2013 (2012: Nil).

19. AUDITORS' REMUNERATION

	Economic Entity 2013 $	Economic Entity 2012 $
Remuneration paid/payable to Auditors for:		
- audit or review of financial report	74,635	150,430
- taxation services	-	-
	74,635	**150,430**

20. RELATED PARTY DISCLOSURES

(a) The directors of EVZ Limited during the financial year were:

Mr M Findlay
Mr G Burns
Mr R Edgley
Ms R Murphy (appointed 28/9/12)
Mr P Jones (resigned 28/8/12)

(b) Transactions with director related entities

- Consulting fees of $100,000 (2012: $105,000) were paid and $45,000 (2012: $25,000) is payable to M Findlay.
- Consulting fees of $45,000 (2012: $45,000) were paid and $11,250 (2012: $11,250) is payable to G Burns.
- Consulting fees of $45,000 (2012: $34,438) were paid and $3,750 (2012: $3,750) is payable to R Edgley.
- Consulting fees of $22,500 (2012 $Nil) were paid and $11,250 (2012: $Nil) is payable to R Murphy.
- Consulting fees of $18,750 (2012: $45,000) were paid and $Nil (2012: $11,250) is payable to Mr P Jones.

21. SEGMENT REPORTING

Segment Information

Identification of reportable segments

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

The group is managed primarily on the basis of product category and service offerings as the diversification of the group's operations inherently have notably 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 products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the products or services;
- the distribution method; and
- any external regulatory requirements

Types of products and services by segment

i. Engineering

The engineering segment designs, manufactures and installs large steel tanks, silos, cooling towers, pipe spooling, pressure vessels and fabricates structural steel. All products produced are aggregated as one reportable segment as the products are similar in nature, manufactured and distributed to similar types of customers and subject to a similar regulatory environment.

The engineering segment is also involved in the installation process and provides ongoing support and maintenance for its products. Support is provided to existing customers for maintenance required for products under warranty.

ii. Energy

The energy segment designs and installs constant load power stations, back-up power generation equipment and sustainable/clean energy solutions. In addition, the segment services, maintains and hires all types of generators and associated equipment.

iii. Water

The water segment designs syfonic roof drainage systems for large and/or complex roof structures, supplies and installs fibreglass panel tanks and prefabricated hydraulic systems.

Basis of accounting for purposes of reporting by operating segments

i. Accounting policies adopted

Unless stated otherwise, all amounts reported to the board of directors, being the chief decision makers 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.

ii. Inter-segment transactions

Inter-segment sales are based on values that would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

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

iii. 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.

21. SEGMENT REPORTING (Continued)

iv. Segment liabilities

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

v. 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:

- Derivatives
- Net gains on disposal of available-for-sale investments
- Impairment of assets and other non-recurring items of revenue or expense
- Income tax expense
- Current tax liabilities
- Other financial liabilities
- Discontinuing operations

Segment Reporting – Continuing Operations

30 June 2013	Engineering	Energy	Water	Corporate	Total
REVENUE	$	$	$	$	$
External sales	26,633,305	13,375,459	17,193,572	-	57,202,336
Inter-segment sales	-	-	-	-	-
Total segment revenue	**26,633,305**	**13,375,459**	**17,193,572**	**-**	**57,202,336**
Reconciliation of segment revenue to group revenue					
Inter-segment elimination					-
Total group revenue					**57,202,336**
Segment net profit before interest and tax	**1,918,559**	**(224,231)**	**1,472,506**	**(1,195,410)**	**1,971,424**
Reconciliation of segment result to group net profit before tax					
Unallocated items					
• Net finance costs					1,229,749
Net profit before tax from continuing operations					**741,675**

30 June 2012	Engineering	Energy	Water	Corporate	Total
REVENUE					
External sales	36,533,424	10,726,797	15,301,434	-	62,561,655
Inter-segment sales	-	-	-	-	-
Total segment revenue	**36,533,424**	**10,726,797**	**15,301,434**	**-**	**62,561,655**
Reconciliation of segment revenue to group revenue					
Inter-segment elimination					-
Total group revenue					**62,561,655**
Segment net profit before interest and tax	**1,511,026**	**(9,013,905)**	**1,193,082**	**(1,785,962)**	**(8,095,759)**
Reconciliation of segment result to group net profit before tax					
Unallocated items					
• Net finance costs					1,031,572
Net profit before tax from continuing operations					**(9,127,331)**

The prior year comparative segment net profit before tax for the Energy segment includes a provision for the impairment of goodwill of $7,900,000.

21. SEGMENT REPORTING (Continued)

Secondary Reporting (including Discontinued Operations)

30 June 2013	Engineering $	Energy $	Water $	Corporate $	Total $
ASSETS					
Segment assets	**21,268,725**	**13,497,438**	**11,752,186**	**31,289,712**	**77,808,061**
Reconciliation of segment assets to group assets					
Inter-segment eliminations					(28,593,618)
Total group assets					**49,214,443**
Segment asset increases for the period					
Capital expenditure	119,516	256,505	351,125	22,848	749,994
	119,516	**256,505**	**351,125**	**22,848**	**749,994**
LIABILITIES					
Segment liabilities	**24,992,766**	**18,864,376**	**3,836,241**	**9,408,959**	**57,102,342**
Reconciliation of segment liabilities to group liabilities					
Inter-segment eliminations					(32,764,483)
Total group liabilities					**24,337,859**

30 June 2012					
ASSETS					
Segment assets	**21,410,896**	**13,125,686**	**10,785,407**	**40,421,708**	**85,743,697**
Reconciliation of segment assets to group assets					
Inter-segment eliminations					(38,001,886)
Total group assets					**47,741,811**
Segment asset increases for the period					
Capital expenditure	322,538	1,427,350	435,178	-	2,185,066
	322,538	**1,427,350**	**435,178**	**-**	**2,185,066**
LIABILITIES					
Segment liabilities	**26,368,868**	**18,780,395**	**3,414,901**	**11,185,403**	**59,749,567**
Reconciliation of segment liabilities to group liabilities					
Inter-segment eliminations					(35,755,127)
Total group liabilities					**23,994,440**

REVENUE BY GEOGRAPHICAL REGION

Revenue, including revenue from discontinued operations, attributable to external customers is disclosed below, based on the location of the external customer:	Economic Entity 2013 $	Economic Entity 2012 $
Australia	52,846,013	70,686,075
Asia	4,356,323	2,382,858
Total revenue	**57,202,336**	**73,068,933**

ASSETS BY GEOGRAPHICAL REGION

The location of segment assets by geographical location of the assets is disclosed below:

Australia	45,409,095	44,745,917
Asia	3,805,348	2,995,894
Total assets	**49,214,443**	**47,741,811**

22. STATEMENT OF CASH FLOWS	Economic Entity 2013 $	Economic Entity 2012 $
(i) Cash balances comprise:		
Cash on hand	2,607,853	4,303,530
Bank overdraft	(2,415,095)	(2,824,335)
Closing cash balance	**192,758**	**1,479,195**
(ii) Reconciliation of the operating profit/(loss) after tax to net cash flows from operations:		
Operating profit/(loss) after tax	889,768	(14,149,900)
Gain/loss on sale of plant and equipment	28,653	882,102
Employee share issue	32,000	-
Gain on disposal of controlled entity	(72,419)	-
Depreciation - plant & equipment	746,783	1,020,403
Foreign currency translation	98,061	(3,985)
Impairment - receivables	(190,704)	265,026
Impairment – inventories	-	(70,000)
Impairment - goodwill	-	9,353,486
Changes in assets and liabilities adjusted for effects of acquisition/disposal of operations during financial year		
Increase/(Decrease) in provisions for employee entitlements	138,083	(555,176)
(Increase)/Decrease in inventories	188,569	33,768
(Increase)/Decrease in trade and other receivables	(4,073,443)	5,624,647
(Increase)/Decrease in deferred tax assets	(217,558)	(1,109,955)
Increase/(Decrease) in payables	2,613,306	(2,442,351)
Increase/(Decrease) in deferred tax liabilities	59,141	1,770
Net cash provided/(used) by operating activities	**240,240**	**(1,150,165)**
(iii) Discontinued Operations		
The net cash flows of the discontinued operation, which have been incorporated into the statement of cash flows, are as follows:		
Net cash inflow/(outflow) from operating activities	-	(849,235)
Net cash inflow/(outflow) from investing activities	-	(9,285)
Net cash inflow/(outflow) from financing activities	-	1,613,067
Net cash increase/(decrease) in cash generated by the discontinued operation	**-**	**754,547**

23. STANDBY ARRANGEMENTS AND UNUSED CREDIT FACILITIES

Controlled entities in the economic entity have Contingent Liability Bank Guarantee facilities including a multi-option facility totalling $7,493,305 available to them as at 30 June 2013 (2012: $5,718,334). Of this total facility, $2,900,874 (2012: $1,521,115) remains unused and available for the controlled entities use as at 30 June 2013. The facilities are secured by a registered equitable mortgage over the assets and undertakings of all Australian companies in the economic entity.

Controlled entities in the economic entity have Bank Overdraft facilities totalling $2,956,695 available to them as at 30 June 2013 (2012: $3,731,666). Of the total available facilities, $541,600 (2012: $907,331) remains unused and available for use. The facilities are secured by registered equitable mortgages over the assets and undertakings of all Australian companies in the economic entity.

24. LEASE COMMITMENTS

	Economic Entity 2013 $	Economic Entity 2012 $
Leases are payable as follows:		
Not later than 12 months	104,374	342,378
Later than 12 months but not later than 2 years	65,190	154,775
Later than 2 years but not later than 5 years	119,992	244,982
Later than 5 years	10,398	-
	299,954	742,135
Future lease finance charges	(30,555)	(93,488)
	269,399	**648,647**
Lease liabilities recognised in the statement of financial position:		
Current	93,211	290,508
Non-current	176,188	358,139
Total lease liability	**269,399**	**648,647**

The weighted average interest rate implicit in these leases is 4.95% pa (2012: 7.55% pa). Leases pertain to various plant, equipment and motor vehicles and are secured against the asset to which they relate.

25. OPERATING LEASE COMMITMENTS

Property		
Not later than 12 months	805,772	797,292
Between 12 months but not later than 5 years	1,183,876	1,739,637
	1,989,648	2,536,929
Plant and equipment		
Not later than 12 months	76,344	80,868
Between 12 months but not later than 5 years	99,936	174,460
	176,280	255,328
Total commitments not recognised in the financial statements	**2,165,928**	**2,792,257**

Property leases and plant and equipment leases are non-cancellable with a maximum five year term, with rent payable in advance. Property leases have contingent rental provisions within the lease agreement which require the minimum lease payments to be increased by at least the CPI per annum. Options exist to renew certain leases at the end of their lease term. With the approval of the lessors the property leases may be extended for further terms.

26. CONTINGENT LIABILITIES

Apart from drawn bank guarantee facilities (refer Note 23), there were no contingent liabilities as at 30 June 2013 (2012: Nil).

27. FINANCIAL INSTRUMENTS

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bank bills and leases.

The main purpose of non-derivative financial instruments is to raise finance for group operations.

(i) Treasury Risk Management

The Board of Directors is responsible for monitoring treasury risk. Currency and interest rate exposures are reviewed regularly to ensure any risk associated with these exposures is minimized.

(ii) Financial Risks

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

- *Interest rate risk*
  The majority of the economic entity's borrowings take the form of bank accepted bills of exchange. Fixed interest bank loans account for 73% (2012: 76%) of the total bank loans currently outstanding.
- *Foreign currency risk*
  The economic entity is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the economic entity's measurement currency. The economic entity monitors its foreign exchange exposure on a regular basis.
- *Liquidity risk*
  The economic entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained.
- *Credit risk*
  The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The economic entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the economic entity.

(a) Interest Rate Risk Exposures

The economic entity's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out opposite. Exposures arise predominantly from assets and liabilities bearing variable interest rates as the economic entity intends to hold fixed rate, assets and liabilities to maturity.

27. FINANCIAL INSTRUMENTS (Continued)

	Floating Interest Rate	Fixed Interest			Non Interest Bearing	Total
		1 year or less	1-5 years	More than 5 years		
	$	$	$	$	$	$
2013						
Financial Assets						
Cash and cash equivalents	-	-	-	-	2,607,853	2,607,853
Trade and other receivables	-	-	-	-	15,812,293	15,812,293
Financial assets	-	-	-	-	110,455	110,455
	-	-	-	-	18,530,601	18,530,601
Weighted average interest rate	-	-	-	-	-	-
Financial Liabilities						
Trade and other payables	-	-	-	-	10,106,056	10,106,056
Borrowings	2,415,095	9,250,000	-	-	-	11,665,095
Lease liabilities	-	93,211	166,910	9,278	-	269,399
	2,415,095	9,343,211	166,910	9,278	10,106,056	22,040,550
Weighted average interest rate	10.23%	7.71%	4.95%	4.95%	-	-
Net Financial Assets (Liabilities)	**(2,415,095)**	**(9,343,211)**	**(166,910)**	**(9,278)**	**8,424,545**	**(3,509,949)**
2012						
Financial Assets						
Cash and cash equivalents	4,303,530	-	-	-	-	4,303,530
Trade and other receivables	-	-	-	-	11,981,638	11,981,638
Financial assets	-	-	-	-	114,554	114,554
	4,303,530	-	-		12,096,192	16,399,722
Weighted average interest rate	3.5%	-	-	-	-	-
Financial Liabilities						
Trade and other payables	-	-	-	-	6,831,253	6,831,253
Borrowings	2,824,335	1,000,000	9,250,000	-	325,000	13,399,335
Lease liabilities	-	290,508	358,139	-	-	648,647
	2,824,335	1,290,508	9,608,139	-	7,156,253	20,879,235
Weighted average interest rate	10.58%	8.37%	8.57%	-		
Net Financial Assets (Liabilities)	**1,479,195**	**(1,290,508)**	**(9,608,139)**	**-**	**4,939,939**	**(4,479,513)**

	Economic Entity 2013	Economic Entity 2012
Reconciliation of Net Financials Assets/(Liabilities) to Net Assets	$	$
Net financial assets/(liabilities)	(3,509,949)	(4,479,513)
Add/(subtract) non-financial assets and liabilities:		
Inventories	1,703,463	1,892,032
Plant and equipment	5,586,374	6,273,610
Intangible assets	19,989,290	19,989,290
Deferred tax assets	3,404,715	3,187,157
Provisions	(2,297,309)	(3,115,205)
Net Assets	**24,876,584**	**23,747,371**

27. FINANCIAL INSTRUMENTS (Continued)

(b) Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the economic entity approximate their carrying value.

(c) Liquidity risk

Refer to Note 27(a) for a maturity analysis of financial assets and liabilities. All floating interest rate balances and all non-interest bearing balances are current and due within 12 months.

(d) Sensitivity analysis

The interest rate on Commercial Bank Bills totalling $6,750,000 (2012: $7,750,000) has been fixed. The Group believes it has minimal exposure to interest rate risk.

(e) Foreign currency risk

Refer Note 21 for a breakdown of revenue and assets by geographical location. Whilst the economic entity monitors its foreeign exchange risk, it does not believe there is any material risk associtated with its foreign exchange exposure.

(f) Price risk

The ecomomic entity believes it has minimal exposure to price risk as costs of major materials and components are set at the time of project tender.

28. SHARE BASED PAYMENTS

During the year, 500,000 fully paid ordinary shares were issued under the Directors' and Employees' Benefits Plan to Mr S Farthing. The shares, issued at 6.4 cents per share, related to an agreed allotment under the terms of an executed employment agreement with Mr Farthing. Shares were issued following completion of the necessary probationary period.

There were no other share-based payments in the year ended 30 June 2013.

29. INVESTMENT IN CONTROLLED ENTITIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holdings 2013	Equity Holdings 2012	Cost of Parent Entity's Investment 2013 $	Cost of Parent Entity's Investment 2012 $
Syfon Systems Pty Ltd	Australia	Ordinary	100%	100%	3,700,650	3,700,650
Syfon Systems Sdn Bhd	Malaysia	Ordinary	100%	100%	34,504	34,504
Brockman Engineering Pty Ltd	Australia	Ordinary	100%	100%	-	-
NuSource Water Pty Ltd	Australia	Ordinary	100%	100%	-	-
Danum Engineering Pty Ltd	Australia	Ordinary	100%	100%	-	-
A.C.N. 124919508 Pty Ltd (formerly National Engineering Pty Ltd)	Australia	Ordinary	100%	100%	-	-
TSF Engineering Pty Ltd	Australia	Ordinary	100%	100%	-	-
Syfon Systems Pte Ltd	Singapore	Ordinary	100%	100%	-	-
EVZ Engineering Pty Ltd	Australia	Ordinary	100%	100%	-	-
Cellular Beams Pty Ltd	Australia	Ordinary	100%	100%	-	-
EVZ Energy Pty Ltd	Australia	Ordinary	-	50%	-	-
					3,735,154	**3,735,154**

EVZ Engineering Pty Ltd and NuSource Water Pty Ltd did not trade during the year. The shareholding in EVZ Energy Pty Ltd was sold during the year at carrying value. Following the sale of the EVZ Energy Pty Ltd business, Cellular Beams changed its name to EVZ Energy Pty Ltd.

30. SUBSEQUENT EVENTS

There have not been any matters or circumstances, other than that referred to in the financial statements or notes thereto, that have arisen since the end of the financial year, that have significantly affected, or may significantly affect, the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years after this financial year.

31. CONSTRUCTION CONTRACTS

	Economic Entity 2013 $	Economic Entity 2012 $
Aggregate amount of contract revenue recognised during the financial year	43,989,108	50,607,910
Aggregate of contract costs incurred and profits recognised (including losses recognised) to date on contracts in progress	41,424,827	35,675,938
Progress billings	39,553,085	34,395,237
Amounts due from customers for contract work in progress	**1,871,742**	**1,280,701**
Total receivable from customers for contract work in progress as included in Note 4	**10,588,615**	**7,372,787**
Retention Receivables as included in Note 4	**719,569**	**595,368**

32. DEED OF CROSS GUARANTEE

During the financial year, a deed of cross guarantee between EVZ Ltd (Parent Entity) and TSF Engineering Pty Ltd, TSF Maintenance Services Pty Ltd, Brockman Engineering Pty Ltd, Danum Engineering Pty Ltd, A.C.N. 124919508 Pty Ltd (formerly National Engineering Pty Ltd), Syfon Systems Pty Ltd, NuSource Water Pty Ltd, EVZ Energy Pty Ltd (previously Cellular Beams Pty Ltd) and EVZ Engineering Pty Ltd (Group Entities) existed and relief is obtained from preparing financial statements for those Group Entities under ASIC Class Order 98/1418. Under the deed, EVZ Ltd and the Group Entities jointly guarantee to support the liabilities and obligations of the Group Entities. EVZ Ltd and the Group Entities are the only parties to the Deeds of Cross Guarantee and form the Closed Group. The following are the aggregate totals, for each category, relieved under the deed:

		Closed Group & Parties to Deed of Cross Guarantee 2013 $	2012 $
Financial information in relation to:			
i.	**Statement of Profit or Loss and Other Comprehensive Income**		
	Profit/(Loss) before income tax	486,063	(15,282,947)
	Income tax expense/(benefit)	(217,558)	(1,107,521)
	Profit/(Loss) after income tax	703,621	(14,175,426)
	Profit/(Loss) attributable to members of the parent entity	703,621	(14,175,426)
ii.	**Retained Earnings**		
	Retained losses at the beginning of the year	(23,216,697)	(9,041,271)
	Profit/(Loss) after income tax	703,621	(14,175,426)
	Transfer from capital profits reserve	198,700	-
	Retained losses at the end of the year	(22,314,376)	(23,216,697)
iii.	**Statement of Financial Position**		
	Current assets		
	Cash and cash equivalents	2,391,685	4,103,859
	Trade and other receivables	13,943,390	10,095,982
	Inventories	1,402,085	1,488,787
	Total current assets	17,737,160	15,688,628

32. DEED OF CROSS GUARANTEE (Continued)

	Closed Group & Parties to Deed of Cross Guarantee	
	2013	2012
	$	$
Non-current assets		
Property, plant and equipment	5,253,187	5,306,333
Deferred tax asset	3,404,715	3,187,157
Other receivables	1,278,416	1,015,733
Financial assets	97,952	97,952
Intangible assets	20,159,575	20,159,575
Total non-current assets	30,193,845	29,766,750
Total assets	47,931,005	45,455,378
Current liabilities		
Trade and other payables	12,284,002	7,985,934
Short term borrowings	11,737,464	3,996,948
Total current liabilities	24,021,466	11,982,882
Non-current liabilities		
Long-term borrowings	112,822	9,284,352
Long-term provisions and other payables	55,934	1,182,982
Total non-current liabilities	168,756	10,467,334
Total liabilities	24,190,222	22,450,216
Net assets	23,740,783	23,005,162
Equity		
Issued capital	46,055,159	46,023,159
Reserves	-	198,700
Retained losses	(22,314,376)	(23,216,697)
	23,740,783	23,005,162

33. NEW AND AMENDED ACCOUNTING STANDARDS

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (January 2015) and the relevant amending standards (applicable for annual reporting periods commencing on or after 30 June 2016).

  These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

33. NEW AND AMENDED ACCOUNTING STANDARDS (Continued)

The key 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;
– requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
– requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The company has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

  AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

  - Tier 1: Australian Accounting Standards; and
  - Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

  Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011–7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 10 replaces parts of AASB 127 (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Company has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

- AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

33. NEW AND AMENDED ACCOUNTING STANDARDS (Continued)

- AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the company.

  To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Company.

- AASB 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

  AASB 13 requires:
  - inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
  - enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

  These Standards are not expected to significantly impact the Company.

- AASB 119: Employee Benefits (September 2011) and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 (applicable for annual reporting periods commencing on or after 1 January 2013).

  These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Company does not have any defined benefit plans and so is not impacted by the amendment.

  AASB 119 (September 2011) also includes changes to:

  (a) require only those benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. All other employee benefits are to be classified as either other long-term employee benefits, post-employment benefits or termination benefits, as appropriate; and

  (b) the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

    (i) where for an offer that may be withdrawn – when the employee accepts;
    (ii) where for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
    (iii) where the termination is associated with a restructuring of activities under AASB 137 and if earlier than the first two conditions – when the related restructuring costs are recognised.

  The Company has not yet been able to reasonably estimate the impact of these changes to AASB 119.

34. PARENT ENTITY DISCLOSURES

	Parent Entity 2013 $	Parent Entity 2012 $
Information relating to the Parent Entity, EVZ Limited, is as follows:		
(i) **Financial Position**		
Assets		
Current assets	128,080	779,676
Non-current assets	23,261,632	25,391,552
Total assets	**23,389,712**	**26,171,228**
Liabilities		
Current liabilities	9,395,197	1,554,734
Non-current liabilities	13,762	9,630,669
Total liabilities	**9,408,959**	**11,185,403**
Equity		
Issued capital	46,055,159	46,023,159
Accumulated losses	(32,074,406)	(31,236,034)
Reserves	-	198,700
Total equity	**13,980,753**	**14,985,825**
(ii) **Financial Performance**		
Comprehensive income		
Profit/(Loss) for the year	(1,037,072)	(15,258,114)
Transfer from capital profits reserve	198,700	-
Total comprehensive income/(loss)	**(838,372)**	**(15,258,114)**

(iii) **Guarantees entered into by the parent entity in relation to the debts of its subsidiaries**

A deed of cross guarantee between EVZ Ltd (Parent Entity) and TSF Engineering Pty Ltd, TSF Maintenance Services Pty Ltd, Brockman Engineering Pty Ltd, Danum Engineering Pty Ltd, A.C.N. 124919508 Pty Ltd (formerly National Engineering Pty Ltd), Syfon Systems Pty Ltd, NuSource Water Pty Ltd, EVZ Energy Pty Ltd (previously Cellular Beams Pty Ltd) and EVZ Engineering Pty Ltd (Group Entities) is enacted and relief was obtained from preparing financial statements for those Group Entities under ASIC Class Order 98/1418. Under the deed, EVZ Ltd and the Group Entities jointly guarantee to support the liabilities and obligations of the Group Entities. EVZ Ltd and the Group Entities are the only parties to the Deeds of Cross Guarantee and form the Closed Group.

There are no contingent liabilities of the Parent Entity or commitments for the acquisition of property, plant and equipment by the Parent Entity.

35. COMPANY DETAILS

The registered office and principal place of business of **EVZ Limited** is 15 Clifford Street, Huntingdale, 3166.

The principal place of business of
Syfon Systems Pty Ltd
is 22 Hargreaves St, Huntingdale, 3166

The principal place of business of
Brockman Engineering Pty Ltd
is 340 Forest Rd, Corio, 3214

The principal place of business of
TSF Engineering Pty Ltd
is Unit A, 31-33 Sirius Road, Lane Cove, 2066

The principal place of business of
TSF Maintenance Services Pty Ltd
is Unit A, 31-33 Sirius Road, Lane Cove, 2066

Directors' Declaration

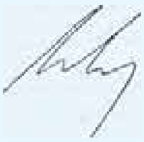
The Directors of EVZ Limited declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
(b) the financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements;
(c) in the Directors' opinion, the financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and
(d) the Directors have been given the declarations required by s.295A of the Corporations Act 2001.

At the date of this declaration, the Company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in Note 32 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

SIGNED in accordance with a resolution of the Board of Directors made pursuant to s.295(5) of the Corporations Act 2001.



Director - M Findlay

Signed at Melbourne this 20th day of September 2013.

ADVANTAGE ADVISORS
Chartered Accountants & Advisors

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF EVZ LIMITED

Report on the Financial Report
We have audited the accompanying financial report of EVZ Limited and its controlled entities, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report
The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility
Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 company's preparation of the financial report that gives a true and fair view 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 company'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.

ADVANTAGE ADVISORS
Chartered Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF EVZ LIMITED (Continued)

Independence
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of EVZ Limited on 20th September 2013, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion
In our opinion:

(a) the financial report of EVZ 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 2013 and of its performance for the year ended on that date; and

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

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

Report on the Remuneration Report
We have audited the Remuneration Report included in pages 11 to 14 of the directors' report for the year ended 30 June 2013. 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.

Opinion
In our opinion, the Remuneration Report of EVZ Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001.*

Advantage Advisors

James Ridley

ADVANTAGE ADVISORS AUDIT PARTNERSHIP
CHARTERED ACCOUNTANTS

JAMES RIDLEY
PARTNER

Dated in Melbourne on this 20th day of September 2013.

Additional shareholders' information as at 31 August 2013

1. Substantial Shareholders

UBS Nominees Pty Ltd	15,603,089 Ordinary Shares

2. Distribution of Shareholding

Range of Holding	No. of Shareholders Ordinary Shares
1 - 1,000	289
1,001 - 5,000	789
5,001 - 10,000	285
10,001 - 100,000	658
100,001 and over	200
	2,221
Number of shareholders with less than a marketable parcel of $500 at $0.055 per unit	1,265

3. Names of the 20 largest shareholders

	Names of the 20 largest shareholders	Shares held	% Holding
1.	UBS Nominees Pty Ltd	15,603,089	7.49
2.	Smithley Super Pty Ltd (Smith Super Fund A/c)	7,000,000	3.36
3.	Cameron Richard Pty Ltd (Superannuation Fund A/c)	6,863,412	3.29
4.	Powis Enterprises Pty Ltd (Powis Super Fund A/c)	5,942,365	2.85
5.	Myall Resources Pty Ltd (Myall Group Super Fund A/c)	5,198,760	2.49
6.	Airlie Beach Holdings Pty Limited (Burns Family A/c)	5,000,000	2.40
7.	BA & LE Amarant Pty Ltd (BA & LE Amarant P/L S/F A/c)	5,000,000	2.40
8.	Linwierik Super Pty Ltd (Linton Super Fund A/c)	4,582,247	2.20
9.	CJ Arms Superannuation Fund Pty Ltd (CJ Arms Super Fund A/c)	4,570,178	2.19
10.	Mr Adam Bernard Bellgrove (Ingodwi Family A/c)	4,400,000	2.11
11.	Mr Keith Andrew Fagg & Mrs Heather Elizabeth Fagg (KA & HE Fagg S/Fund A/c)	4,059,001	1.95
12.	Airlie Beach Holdings Pty Ltd (ABI Super Fund A/c)	3,999,021	1.92
13.	Onmell Pty Ltd (ONM PBSF A/c)	3,612,581	1.73
14.	BT Portfolio Services Limited (Juchima Super Fund A/c)	3,285,654	1.58
15.	Pershing Australia Nominees Pty Ltd (Blue Ocean Equities A/c)	3,200,000	1.54
16.	Rangeworthy Pty Ltd (The Edgley Family A/c)	2,825,000	1.36
17.	Powis Enterprises Pty Ltd (Powis Family A/c)	2,629,584	1.26
18.	DIP Holdings Pty Ltd	2,600,000	1.25
19.	NLA Investments Pty Ltd (N & L Allen Family A/c)	2,576,853	1.24
20.	TRB Management Pty Ltd (Bowden Super Fund A/c)	2,409,000	1.16
		95,356,745	**45.75**

4. Voting Rights

A registered holder of shares in the company may attend general meetings of the company in person or by proxy and on a poll may exercise one vote for each share held. There are no voting rights attached to options for ordinary shares until the options have been exercised.

5. Unlisted Options

There are no unlisted options on issue.

6. General

The name of the Company Secretary is Ian Wallace.

The address of the principal registered office is:
15 Clifford Street, Huntingdale, Victoria, 3166
Telephone Number: (03) 9545 5288
Facsimile Number: (03) 9558 9944
Email: corporate@evz.com.au

A register of securities is kept at Computershare Investor Services Pty Ltd,
452 Johnston Street, Abbotsford, Victoria, 3067.
Telephone Number: 1300 137 328

7. Stock Exchange Listing

The company's ordinary securities are listed on the Australian Securities Exchange Limited.

EVZ Limited and Controlled Entities
15 Clifford Street, Huntingdale, Victoria, 3166
Telephone Number: (03) 9545 5288
Facsimile Number: (03) 9558 9944
Email: corporate@evz.com.au

www.evz.com.au