Annual Financial Report

Engenco Limited

ACN 120 432 144

30 June 2013

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Corporate Governance Statement

Engenco Limited ("the Company") and the Board are committed to achieving compliance with all the best practice recommendations released by the Australian Securities Exchange (ASX) Corporate Governance Council. This statement outlines the main corporate governance practices in place throughout the financial year, with specific references made to any departures from the best practice recommendations.

Role of the Board

The role of the Board is to protect and promote the interests of the Company and to represent its shareholders whilst considering the interests of other stakeholders including employees, customers, suppliers, wider communities and the environment. It does this according to the principles of good corporate governance intending to fulfil the Company's responsibilities as a corporate citizen.

The Board operates under a Board Charter, which describes the processes used by the Board to:

- appoint and review the performance of the Managing Director/CEO;
- approve key strategic decisions including, but not limited to, acquisitions and divestments;
- approve annual revenue, operating expenditure, and capital budgets;
- approve significant changes in organisational structure;
- determine and approve the remuneration of the Managing Director/CEO;
- approve the remuneration of executive management, and
- formally adopt any communication to regulators and shareholders as may be required by the Company constitution, statute, or other regulation.

The Board may change by resolution any power reserved to itself.

Executive Delegation

Other than those matters reserved by the Board to itself, the Board delegates to the Managing Director/CEO all authority to achieve the Company's objectives consistent with this Corporate Governance Statement, the Company constitution, statute or other regulation.

The Managing Director/CEO prepares a one year operational and financial plan for approval by the Board.

Board Structure

The skills, experience and expertise relevant to the position of each director who is in office at the date of the Annual Report and their term of office are detailed in the Directors' Report in this Annual Report.

The names of the directors of the Company in office at the date of this report, specifying which are independent, are set out in the Directors' Report.

When determining whether a non-executive director is independent the director must not fail any of the following materiality thresholds:

- less than 10% of company shares are held by the director or any other entity or individual directly or indirectly associated with the director;
- no sales are made to or purchases made from any entity or individual directly or indirectly associated with the director; and
- none of the director's income or of an individual or entity directly or indirectly associated with the director is derived from a contract with any member of the economic entity other than income derived as a director of the entity.

The Board reviews the independence of its directors in light of the information provided to it.

Independent directors have the right to seek independent professional advice in the furtherance of their duties as directors at the Company's expense. Written approval must be obtained from the Board prior to incurring any expense on behalf of the Company.

The majority of the Board are not independent directors which is a departure from ASX Corporate Governance Recommendation 2.1. The Chairman is also not an independent director which is a departure from ASX Corporate Governance Recommendation 2.2. These factors are due to the ownership structure of the listed company.

Meetings of the Board

The Board meets on a regular pre-determined basis or more frequently as required. On the invitation of the Board, members of senior management attend and make presentations at board meetings. In addition to the formal meetings the Board regularly meets to consider important issues affecting the Group.

The number of meetings held and attended by each of the directors for the financial year ended 30 June 2013 is set out in the Directors' Report.

Board Membership

Appointment

Board members are nominated by the Board and their appointment confirmed by a vote of shareholders. The Board will have a minimum of one non-executive director who will be free of material relationships with the Company and who would be reasonably considered by shareholders to be independent.

The expectation of directors is that they will be of unquestioned integrity and honesty, will understand and behave to the highest standards of corporate governance and will be prepared to question, challenge, and criticise matters of strategy.

Directors will be appointed according to the contribution they can make in meeting strategic skill requirements of the Company. Remuneration of directors will be transparent and reported in its entirety to shareholders.

Directors are expected to continue to develop their skills through ongoing education and training.

Retirement and Re-election

The constitution of the Company requires one third of the directors to retire from office at each annual general meeting. Directors who have been appointed by the Board are required to retire from office at the next following annual general meeting and are not taken into account in determining the number of directors to retire at that annual general meeting.

Directors cannot hold office for a period in excess of three years or beyond the third annual general meeting following their appointment, whichever is longer, without submitting themselves for re-election. Retiring directors are eligible for re-election by shareholders.

Board Access to Information and Independent Advice

All directors have unrestricted access to employees of the Group and, subject to the law, access to all company records and information held by group employees and external advisors. Each director may obtain independent professional advice to assist the director in the proper exercise of powers and discharge of duties as a director or as a member of a Board Committee. In such cases, the Chairman and Company Secretary must be advised and a copy of the advice made available to all directors.

Conflicts of Interest

Directors are required to notify the Board of any real or perceived conflicts of interest that may occur from time to time. The Board has adopted the use of formal standing notices in which they disclose any material personal interests they have and the relationship with the affairs of the Group. Directors are required to provide an updated notice if they acquire any new material personal interests or if there is any change to the nature and extent of their previously disclosed interest.

Performance Evaluation

To date a formal assessment of Board performance has not taken place.

Reward and Remuneration

Reward and remuneration of directors and executives will be objectively linked to achieving the Group's objectives and consistent with the financial performance of the Group.

There will be transparency to shareholders regarding reward and remuneration of board members and senior executive management.

There are currently no schemes for retirement benefits other than statutory superannuation.

Committees

Currently the Board of Engenco Limited has formed a separate Audit Committee to assist it in exercising its responsibilities. Given the size and stage of development of the Group, the Board has not formed a Nomination or Remuneration Committee which is a departure from ASX Corporate Governance Recommendations 2.4 and Principle 8.

The Audit Committee monitors internal control policies and procedures designed to safeguard company assets and to maintain the integrity of financial reporting. The specific responsibilities set out in its charter include:

- in conjunction with the internal and external auditors, assure the integrity of financial statements;
- recommend to the Board the appointment of and review the performance of the external auditor;
- determine the remuneration of the external auditor;
- oversee the integrity of the internal and external audit process; and
- ensure there is a process to identify the likelihood and impact of financial risk and that this process is actively managed.

Audit Committee

The Audit Committee is chaired by a non-executive director of the Company and membership of the Audit Committee must include at least two directors (other than the Managing Director/CEO and the Chief Financial Officer) and the Company Secretary.

The members of the Audit Committee during the year were:

- D Hector (Non-Executive Director) – Chair of Audit Committee
- R Dunning (Non-Executive Director)
- A Bagley (Committee Secretary)

On 15 July 2013 Ross Dunning was appointed as Interim Managing Director of the Company and on 31 July 2013 was replaced on the Audit Committee by Vincent De Santis (Non–Executive Director).

The external auditors are invited to attend meetings as required and the Managing Director/CEO and Chief Financial Officer may be invited, but will be excused from discussions if the committee so determines. Details of the number of meetings held and attended by the members of the Audit Committee can be found in the Directors' Report. The Board has established a Terms of Reference to guide the activities of the Audit Committee. The current composition of the Audit Committee does not meet ASX Corporate Governance Recommendation 4.2 however the Board believes that this is the most effective structure for the Audit Committee given the structure of the Board itself.

The Audit Committee Charter is published on the Company's website.

Financial Reporting

Consistent with ASX Corporate Governance Recommendation 7.3, and in accordance with section 295A of the *Corporations Act 2001*, the Group's financial report preparation and approval process for the year ended 30 June 2013 involved both the Managing Director/CEO and Chief Financial Officer providing a written statement to the Board that, in their opinion:

- the Group's financial statements and notes for the financial year present a true and fair view of the Group's financial condition and operating results, and are in accordance with applicable accounting standards; and
- the Group's financial records for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*.

Audit Governance and Independence

External Auditors

KPMG is the Group's current external auditors. The performance of the external auditor is reviewed annually by the Audit Committee. KPMG was appointed as the external auditor at the Company's annual general meeting in 2012. It is currently the Group's policy that no non-audit services are provided by the external auditor to ensure independence is maintained. However, during the current financial year, KPMG were appointed to perform other assurance services as part of the Group's capital raising, and for tax services in the Philippines. It is KPMG's policy and a *Corporations Act 2001* requirement to rotate audit engagement partners on listed companies at least every five years.

Independence Declaration

The Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Act 2004 amendments to the *Corporations Act 2001* require external auditors to make an annual independence declaration, addressed to the Board, declaring that the auditors have maintained their independence in accordance with the *Corporations Act 2001* and the rules of the professional accounting bodies.

KPMG has provided such a declaration to the Audit Committee for the financial year ended 30 June 2013.

Attendance of External Auditors at Annual General Meetings

In accordance with the *Corporations Act 2001*, the Company requires that KPMG attends the Company's annual general meeting and is available to answer questions about the conduct of the audit and the preparation and content of the audit report. Shareholders are asked to submit written questions to the Company Secretary at least 7 days prior to the annual general meeting.

Risk Identification and Management

The Group is in the process of implementing policies regarding risk identification and management which are consistent with Principle 7 of the ASX Corporate Governance Principles and Recommendations.

Engenco has various risk management procedures and registers in place to enable the identification, assessment and mitigation of risks that arise through its activities.

Code of Conduct

The Company recognises the need for directors and employees to observe the highest standards of behaviour and business ethics when engaging in corporate activity.

The Board is developing a Code of Conduct which sets out the principles and standards with which all officers and employees are expected to comply in the performance of their respective functions in respect of responsibilities to shareholders, customers, clients, consumers and the community. The Code of Conduct has not been formally approved as at the reporting date which is a departure from ASX Corporate Governance Recommendation 3.1.

Securities Trading Policy

The Company's Securities Trading Policy objective, among other things, is to minimise the risk of insider trading in the Company's securities and in furtherance of the Company's commitment to the adoption of good corporate governance principles. The policy prohibits all employees, officers and directors of the Company from trading in the Company's securities if they are in possession of "inside information". Short term or speculative dealing in the Company's securities by employees, officers and directors is also not permitted. Employees, officers and directors must not trade in the Company's securities during closed periods. Trading is generally permitted at other times provided there is no contravention of the insider trading laws. The policy also restricts hedging and margin loan activities for employees, officers and directors. The Company's Securities Trading Policy is published on the Company's website.

Continuous Disclosure

The Company understands and respects that timely disclosure of price sensitive information is central to the efficient operation of the Australian Securities Exchange's securities market. The Company Secretary has responsibility for overseeing and co-ordinating the disclosure. Any disclosures are discussed with the Board and appropriate action is taken. The Company's Continuous Disclosure Policy is published on the Company's website.

Communications with Shareholders

The Board is committed to completely discharge its obligation to represent the interests of shareholders.

The Board will ensure that information is regularly communicated to shareholders, in particular, paying regard to the continuous disclosure requirements of the ASX. The Board welcomes shareholder participation at the Company's annual general meeting. Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and receipt of the annual and interim financial statements. Shareholders are encouraged to attend and participate in the annual general meeting, to lodge questions to be responded to by the Board, and are able to appoint proxies.

Diversity Policy

The Group has developed a diversity policy, which has the following objectives:

- To recognise and embrace our multicultural diversity and grow our workforce to reflect the diversity of the communities in which we operate;
- To recognise that those in the community that have disabilities have an equal right to suitable employment and rewarding career advancement opportunities; and
- To create programs to ensure that gender representation at all levels of the Group (including senior management) accurately represents our society.

Engenco's commitment to diversity is led by our Diversity Committee and representatives come from all levels of the Group. The Diversity Committee is sponsored by the Managing Director/CEO of the Company and will make recommendations on diversity related initiatives, monitor and evaluate their implementation and ensure that diversity related programs are progressing successfully.

The Group's annual compliance report for the period 1 April 2012 to 31 March 2013 is below. We have received confirmation from the Workplace Gender Equality Agency that the Group is compliant with the *Workplace Gender Equality Act 2012*.

	Full-Time			Part-Time			Casual			Total Employees		
	Female	Male	% Female	Female	Male	% Female	Female	Male	% Female	Female	Male	% Female
Board	-	4	-	-	-	-	-	-	-	-	4	-
Senior Executive	1	5	17%	-	-	-	-	-	-	1	5	17%
Senior Management	5	13	28%	-	-	-	-	-	-	5	13	28%
Line Managers	1	72	1%	-	-	-	-	-	-	1	72	1%
Professional/Technical	25	65	28%	-	-	-	4	22	15%	29	87	25%
Administration Staff	23	2	92%	-	-	-	8	-	100%	31	2	94%
Shop Floor Staff	1	178	1%	-	1	-	44	530	8%	45	709	6%
TOTAL excl. Board	56	335	14%	-	1	-	56	552	9%	112	888	11%
TOTAL incl. Board	**56**	**339**	**14%**	**-**	**1**	**-**	**56**	**552**	**9%**	**112**	**892**	**11%**

Directors' Report

The directors present their report, together with the consolidated financial statements of the Group, being Engenco Limited (the Company) and its controlled entities for the financial year ended 30 June 2013 and the auditor's report thereon.

Directors

The directors of the Company at any time during or since the end of the financial year are:

Dale Elphinstone
Non-Executive Director (Chairman)
FAICD

Appointed:	19 July 2010
Age:	62
Directorships held in other listed entities in the past three years:	Non-executive Director, National Hire Group Limited, 2008 – December 2011
Summary of current equity holdings:	202,249,018 ordinary shares

Dale is the Executive Chairman of the Elphinstone Group which he founded in 1975. Dale has considerable experience in the engineering, manufacturing and heavy machinery industries and among other things is one of the longest serving Caterpillar dealer principals in Australia having acquired the Caterpillar dealership in Victoria and Tasmania in 1987. He was a director of Caterpillar subsidiary, Caterpillar Underground Mining Pty Ltd until December 2008 and of the formerly publicly listed Queensland Gas Company Limited from October 2002 to November 2008. Dale was also a director of ASX listed National Hire Group Limited until December 2011.

Vincent De Santis
Non-Executive Director [1]
B.Com LLB (Hons)

Appointed:	19 July 2010
Age:	43
Directorships held in other listed entities in the past three years:	Alternate Director, National Hire Group Limited, 2008 – December 2011
Summary of current equity holdings:	300,003 ordinary shares

[1] On 31 July 2013, Vince was appointed as a member of the Audit Committee.

Vince is the Managing Director of the Elphinstone Group which he joined in 2000 as the Group's Legal Counsel and Finance & Investment Manager. He is a director of various Elphinstone Group companies. He was Dale Elphinstone's alternate on the board of Queensland Gas Company Limited and of National Hire Group Limited. Immediately prior to joining the Elphinstone Group, Vince was a Senior Associate in the Energy Resources & Projects work group of national law firm Corrs Chambers Westgarth in Melbourne.

Donald Hector
Independent Non-Executive Director
BE (Chem), PhD, FAICD, FIEAust, FIChemE

Appointed:	2 November 2006
Age:	63
Special Responsibilities:	Chairman of Audit Committee
Directorships held in other listed entities in the past three years:	None
Summary of current equity holdings:	113,163 ordinary shares

Don has 17 years' experience in senior executive management and CEO positions with industrial companies. He was Managing Director of Dow Corning Australia Pty Ltd, the Australian subsidiary of Dow Corning Corporation and was Managing Director of Asia Pacific Specialty Chemicals Ltd, an ASX-listed chemical company. Don is a non-executive chairman of SEMF Pty Ltd, a multidisciplinary engineering consulting firm. He is also a council member of one of Sydney's leading independent schools. Don served as Non-Executive Chairman of Engenco Limited until 19 July 2010.

Ross Dunning AC
Non-Executive Director / Interim Managing Director [1]
BE (Hons), B.Com, FCILT, FAIM, FIE Aust, FIRSE, MAICD

Appointed:	8 November 2010
Age:	71
Special Responsibilities:	Member of Audit Committee [2]
Directorships held in other listed entities in the past three years:	None
Summary of current equity holdings:	104,000 ordinary shares

[1] Ross held the position of Non-Executive Director during the financial year and was appointed as Interim Managing Director on 15 July 2013.
[2] On 31 July 2013, Ross ceased to be a member of the Audit Committee following his appointment as Interim Managing Director of the Company.

Ross has extensive exposure to the rail industry having served as the Commissioner for Railways in Queensland, President of the Australian Railways Association and Managing Director of Evans Deakin Industries Limited (the predecessor to the ASX listed company, Downer EDI Limited). Ross has been awarded the Companion of the Order of Australia and has held non-executive positions with a number of ASX listed companies including Toll Holdings Limited, Downer EDI Limited, Government owned corporations in Queensland and New South Wales and on unlisted public companies. Ross currently serves as a director of Queensland Energy Resources Limited, chairman of Port of Townsville Limited and is a member of The Council of St John's College within the University of Queensland.

Company Secretary

Anna Bagley
BSc, LLB (Hons), GCInfTech, LLM
Admitted to practice as a solicitor of the Supreme Court of Victoria and the High Court of Australia
Registered Australian Trade Mark Attorney

Appointed:	9 November 2011
Age:	34

With more than 10 years' experience in legal roles, Anna holds a Bachelor of Science, a Bachelor of Laws (Hons) and a Graduate Certificate in Information Technology from the University of Queensland. She also holds a Masters of Laws from the University of Melbourne. Anna is a qualified and practising solicitor and Australian trade mark attorney. She has worked at national and international laws firms including the Melbourne offices of Corrs Chambers Westgarth and Baker & McKenzie. Most recently, Anna was a member of the legal team at the ASX listed company, Spotless Group Limited. Anna is also a member of the executive and is the Company Secretary for the incorporated associate, Australian Corporate Lawyers Association.

Josephine Tan
B.Mus, LLB (Hons)

Appointed:	22 August 2013
Age:	48

Josephine Tan was recently appointed Chief Legal Officer and joint Company Secretary of Engenco Limited whilst Anna Bagley is on maternity leave. Josephine brings with her over 10 years' of legal experience in a broad range of matters. Prior to joining Engenco Limited she was General Counsel and a member of Senior Management at VicForests. Josephine also spent 8 years at the international law firm Baker & McKenzie. As a Senior Associate there, her work included advising various ASX listed entities in relation to corporate transactions and compliance matters. Josephine holds a Bachelor of Laws (Hons) from the University of Melbourne.

Kevin Pallas
BCom, MAICD

Appointed:	13 September 2013
Age:	51

Kevin possesses senior management and leadership experience through a 23 year career in engineering, mining supplies, metals and manufacturing industries. Holding a Bachelor of Commerce degree, Kevin specialised in the areas of financial and cost accounting systems design and development, and operational and commercial management for a number of multinationals in South Africa, New Zealand, Singapore and Australia prior to joining the Group in 2007.

Changes in Directors and Executives Subsequent to Year End

On 12 July 2013, Dennis Quinn resigned as Chief Executive Officer of the Company and Ross Dunning was appointed as Interim Managing Director effective 15 July 2013.

Josephine Tan was appointed as an additional Company Secretary on 22 August 2013.

Kevin Pallas was appointed as an additional Company Secretary on 13 September 2013.

Meetings of Directors

During the financial year, 16 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee Meetings	
	Number Eligible to attend	Number Attended	Number Eligible to attend	Number Attended
Dale Elphinstone	16	15	-	-
Vincent De Santis	16	16	-	-
Donald Hector	16	16	2	2
Ross Dunning	16	15	2	2

Principal Activities

The Group delivers a diverse range of engineering services and products through two business streams: Power & Propulsion and Rail & Road. Engenco businesses specialise in:

- Maintenance, repair and overhaul of heavy duty engines, powertrain and propulsion systems;
- Maintenance, repair and overhaul of locomotives;
- Manufacture and maintenance of wagons, carriages and associated rail equipment;
- Project management, training and workforce provisioning services;
- Manufacture and supply of road transport and storage tankers for dry bulk products; and
- Leasing of locomotives, wagons and other rail equipment.

The Group services a diverse client base across the defence, resources, marine, power generation, rail, heavy industrial and infrastructure sectors.

The Group employs around 520 people operating from more than twenty locations in five countries.

Strategy

The Group remains committed to a strategy of pursuing business in both the Rail & Road and Power & Propulsion business segments, with a focus on developing current core business capability and improving operating efficiency within the businesses by leveraging the group structure.

In Rail we propose to further consolidate our Western Australian sites to reduce costs and improve operating efficiency in Forrestfield. The Greentrains leasing fleet is now focussed to meet the addressable market and is proposed only to be expanded on the basis of pre-committed contracts. The CERT business is being positioned to take advantage of the growing market particularly in Queensland. Momentum continues to focus on partnering principals on major project work by levering off compliance and quality attributes.

Drivetrain Power and Propulsion is well positioned to maximise the opportunity of the expected recovery in the resources sector. The consolidation of sites in Sydney is aimed at rationalising operations and saving costs. In Sweden the Hedemora engine parts and HS Turbocharger and support business continues to be a core revenue driver, and the development of the new generation HS Turbocharger business remains a focus for future market growth in both Europe and the Americas.

The ongoing strategy to improve the efficiency and to right-size the business to better meet current and potential future markets has put the business on a firmer footing which in turn has much improved relations with our financiers, insurers, suppliers and of course our customers.

Operating and Financial Review

Overview of the Group

Drivetrain Power and Propulsion

Drivetrain's services span the complete engineering product lifecycle: design, application engineering, troubleshooting, supply and service, and through-life support programmes for heavy mobile powertrain systems, large frame turbochargers, heavy diesel and gas power generation and gas compression equipment.

Drivetrain is organised around the following business streams:

- Mobile Powertrain
- Turbo, Power and Compression

Services include:

* Maintenance, repair, and overhaul
* Design, installation and commissioning
* Genuine component and spare parts distribution
* Field service
* Technical and engineering services in remote locations

Drivetrain has facilities and service centres in 12 locations in the ANZ region, Asia, Sweden and USA.

Gemco Rail

Gemco has been a well-known supplier of quality products and services to the rail sector for many years. Building on this solid reputation and experience the business specialises in providing fleet management services to national rail operators, and in the manufacture, refurbishment and overhaul of rail equipment. Gemco provides wagon and locomotive scheduled and ad-hoc maintenance services and manufactures custom designed and engineered new and refurbished wagons, bogie component parts and associated rail equipment. The Company also supplies a broad range of rail track maintenance equipment and parts.

Services include:

* Manufacture and maintenance of freight wagons, other rollingstock and rail equipment
* Locomotive and wagon maintenance, repair and overhaul
* Fleet asset management
* Custom maintenance, modification, retrofit and upgrades
* Bogie, wagon and wheel refurbishment
* Field service crews
* Train inspections
* RailBAM acoustic analysis

The flagship facility in Forrestfield WA is complemented by a country-wide footprint including workshops on main lines in Victoria, South Australia and New South Wales.

Total Momentum

Total Momentum offers a range of workforce provisioning services from providing skilled individuals to fully supervised and equipped crews to carry out rail track construction, maintenance and upgrades.

The business specialises in all types of rail welding including the welding of heavy gauge crane rail at height and the operation of flash butt welding plant.

Total Momentum can plan, implement and manage safe working solutions for rail clients, from handsignallers and lookouts to highly experienced Principal Protection Officers.

Operating out of branches in Forrestfield, Port Hedland, Norwood, Thornton, Clyde and Williamstown – Total Momentum's strategic presence is well placed to service the rail and resource sectors.

Centre for Excellence in Rail Training (CERT)

CERT is a Registered Training Organisation (RTO) that provides responsive, flexible and innovative training, assessment and recertification services to the Australian rail industry. CERT delivers nationally accredited and industry based training programs on a regular basis, and provides customised courses to suit individual business needs.

The business has training centres in Perth, Sydney, Newcastle and Melbourne with the flexibility to train on-site anywhere in the country.

Greentrains

Greentrains provides a range of locomotives and wagons for lease to the Australian rail industry, with the added benefit of a packaged maintenance solution provided by Gemco Rail.

Convair Engineering (Convair)

Convair designs and manufactures tankers for the transport of dry bulk products by road and rail. The business also repairs, maintains and supplies spare parts for all makes of dry bulk tankers and offers distribution, service and repair of compressors and ancillary equipment used in the support of dry bulk materials handling.

Convair are agents for Feldbinder Spezialfahrzeugwerke Gmbh of Germany, supplementing the range of products with aluminium dry bulk tankers and stainless steel liquid tankers.

With its plant based in Melbourne, Convair services customers throughout Australia and in New Zealand.

Operating Results

The Group reported a net loss after tax including non-controlling interests of $91,515,000 for the year ended 30 June 2013, which included significant items amounting to a net loss of $79,235,000. The consolidated result for the year is summarised as follows:

	2013	2012
	$000	$000
Revenue	**176,088**	199,197
EBITDA [2]	**(67,008)**	(16,049)
EBIT [1]	**(79,642)**	(27,055)
Profit / (loss) for the period	**(91,515)**	(35,599)
Underlying trading loss [3]	**(12,280)**	(1,868)
Net operating cash flow	**6,235**	(858)
Net assets	**89,029**	151,793
Net debt	**18,867**	46,514

[1] EBIT is earnings before finance costs and income tax expense.

[2] EBITDA is EBIT before depreciation and amortisation.

[3] Underlying trading loss is net loss after tax excluding significant items.

Note - EBIT, EBITDA and underlying trading loss are non-IFRS financial measures, which have not been subject to review or audit by the Group's external auditors. These measures are presented to enable understanding of the underlying performance of the Group.

The significant reduction in resources sector activity was a major cause of revenue reduction in FY13. The greatest impact of this was felt in the Drivetrain business in Australia and New Zealand and in the Gemco fabrication business. Operational efficiencies and rationalisations have been implemented in the Drivetrain business across Australia and New Zealand and the effect of this is expected to be evident in FY14 results.

The offshore operations in Singapore and Europe (Sweden) continue to operate profitably and early indicators are that this will continue in FY14.

Gemco Rail's operational efficiency program which commenced in Western Australia is continuing and will lead to facilities better suited to meet market demands. Onerous contracts on foot in the rail sector have been taken to account in FY13 and new locomotive maintenance work is being pursued on better commercial terms. The wheel and bearing activities, including bogie refurbishment, are now operating more efficiently and higher throughput is being realised.

Momentum's performance was affected by a downturn in rail infrastructure spend during FY13 but there are positive indicators of a recovery in this sector in the new year. The Convair and CERT businesses are operating profitably and are expected to perform well in FY14.

The Greentrains business has been affected by the oversupply of narrow gauge and standard gauge locomotives of which a major contributing factor has been the sudden reduction in the requirements of the resources sector, particularly in coal haulage. No material improvement in demand for the current Greentrains fleet is expected during FY14.

The Commonwealth Bank of Australia (CBA) facility agreement was completed on 13 September 2013 and expires on 31 October 2014. The Elph Pty Ltd facility agreement has been extended to 30 September 2014.

Market indicators suggest slow improvement in all sectors. Directors and management are confident that FY14 will see the Company return to profit and that the three to five year recovery plan is still on track.

The following table shows a reconciliation of underlying trading loss:

	2013	2012
	$000	$000
Profit / (loss) for the period	**(91,515)**	(35,599)
Significant Items:		
Impairment of goodwill and other intangible assets	**43,275**	3,813
Impairment of property, plant and equipment	**20,350**	3,547
Impairment of inventory	**1,529**	19,871
Impairment of accounts receivable	**861**	3,959
Legal settlements and associated costs	**2,004**	-
Onerous contract provision	**1,705**	-
Staff termination costs	**1,167**	-
Derecognition of deferred tax assets	**8,344**	685
Other significant items	**-**	1,856
Underlying trading loss [1]	**(12,280)**	(1,868)

[1] Underlying trading loss is net loss after tax excluding significant items.

Investments for Future Performance

There were no significant investments or acquisitions in the year.

Review of Principal Businesses

Drivetrain Power and Propulsion's revenue and EBITDA were depressed largely owing to lower component and service sales to customers in mining related business and slower than expected penetration of identified growth segments.

Gemco Rail's revenue was lower owing to less fabrication work being received than anticipated. Profitability was significantly impacted by losses on fabrication projects completed in the period, and the close-out of legal disputes.

Momentum's revenue grew year on year based on new contracts particularly in Western Australia and this resulted in an improvement in earnings.

CERT generated higher revenue in the comparable period but margins were impacted by costs associated with new location establishment.

Greentrains' revenue and earnings were down slightly when compared with financial year 2012 results as demand for rolling stock was slower with excess locomotive capacity being available.

Convair's dry bulk tanker business performed profitably although revenue was lower than in the previous financial year due to the soft construction and associated industry markets.

Significant Changes in State of Affairs

No significant changes in the state of affairs have occurred.

Likely Developments

The Company anticipates a slow recovery as key markets improve. Firm foundations have been set with regard to capital management and sustained funding arrangements. The Company is well positioned to take full advantage from greater than expected improvements in market conditions should they occur, due to the cost saving initiatives already undertaken which would lead to an advantageous operating leverage position. The Board is of the opinion that the senior management team is now much better placed to meet the challenges and opportunities that lie ahead.

Dividends

The directors have decided not to declare a final dividend.

Events Subsequent to Reporting Date

Dennis Quinn resigned as Chief Executive Officer on 12 July 2013 and Ross Dunning (Non-Executive Director at the reporting date) was appointed as Interim Managing Director on 15 July 2013.

Glenn Parrett resigned as Chief Executive Officer of Drivetrain on 26 August 2013 and Frank Gili has been appointed to lead the Drivetrain business.

The Commonwealth Bank of Australia (CBA) facility agreement was completed on 13 September 2013 and expires on 31 October 2014. The Elph Pty Ltd facility agreement has been extended to 30 September 2014.

Other than the above, there has not arisen, in the interval between the end of the financial year and the date of this report, any item, transaction or event which would have a material effect on the financial statements of the Group at 30 June 2013.

Environmental Regulation

Group operations are subject to significant environmental regulation under Commonwealth, state and international law, including noise, air emissions and the use, handling, haulage and disposal of dangerous goods and wastes.

The Group uses practices that minimise adverse environmental impacts and provides appropriate feedback on the Group's environmental performance to ensure compliance.

The Board is not aware of any significant breaches during the periods covered by this report nor does it consider the Group is subject to any material environmental liabilities.

National Greenhouse and Energy Reporting Guidelines

The Group's environmental obligations are regulated under both Federal and State law. The Company is not subject to the conditions imposed by the registration and reporting requirements of the *National Greenhouse and Energy Reporting Act 2007*.

Indemnifying Officers

The Company has indemnified and paid premiums to insure each of the following directors and executives against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity, other than conduct involving a wilful breach of duty in relation to the Company:

D Elphinstone, V De Santis, D Hector, R Dunning, K Pallas, A Bagley, G Parrett, J Tan

Options

At the date of this report, there are no unissued ordinary shares of the Company under option. During the year ended 30 June 2013, no ordinary shares of the Company were issued on the exercise of options granted.

Non-audit Services

During the current financial year, KPMG were appointed to perform other assurance services as part of the Group's capital raising ($75,000), and for tax services in the Philippines ($20,000).

Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 18 and forms part of the Directors' Report for the financial year ended 30 June 2013.

Rounding of Amounts

The Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the consolidated financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Remuneration Report - Audited

Remuneration Policy

This report details the nature and amount of remuneration for each director of the Company, and other key executives of the Group who have a strategic commercial impact upon the Group's activities.

The remuneration policy of the Group is intended to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific incentives based on key performance areas affecting the Group's financial results. The Board of Engenco believes the approach to remunerating to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group.

The Board's policy for determining the nature and amount of remuneration for board members and senior executives of the Group is as follows:

- All executive directors and key executives receive a salary package comprised of a base salary, superannuation, and fringe benefits.
- The Board will review executive packages annually by reference to the Group's performance, executive performance and comparable market information.
- The performance of executives is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the Group's profits, which are aligned with shareholder value. The developing remuneration policy will be designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.
- The executive directors and other key executives receive a superannuation guarantee contribution required by the government, which was 9% during the year, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.
- All remuneration paid to directors and executives is valued at cost to the Group and expensed.
- The Board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the annual general meeting.
- To align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Performance Conditions Linked to Remuneration

The remuneration level for key management personnel is based on a number of factors, including skills and qualifications, achievements of performance metrics and demonstrated management capability. The contracts for service between the Group and key management personnel are on a continuing basis.

Relationship between Remuneration Policy and Company Performances

There are short-term incentives available to certain key management personnel which are linked to achieving Group budget NPAT performance. There were no payments of short-term incentives in the current financial year with regard to NPAT performance (2012: $75,000). Current remuneration policies are under review.

The following table shows the gross revenue, profits and dividends for the last 5 years for Engenco Limited, as well as the share prices at the end of the respective financial years.

	2009 $	2010 $	2011 $	2012 $	2013 $
Revenue	317,187,000	224,331,000	207,352,000	199,197,000	176,088,000
NPAT attributable to members	(4,541,000)	(113,712,000)	4,905,000	(35,683,000)	(87,731,000)
Share price at year end *	$0.20	$0.15	$0.09	$0.50	$0.14
Dividends paid	-	-	-	-	-

* During November 2011 there was a share consolidation whereby every ten (10) fully paid ordinary shares on issue were consolidated into one (1) fully paid ordinary share. Each fraction of a share was rounded up.

Remuneration Details for Year Ended 30 June 2013

The Board determines the proportion of fixed and variable compensation for key management personnel - refer to table below:

		Short-Term			Post-Employment		Long-Term		
		Salary and Fees $	Non-Monetary Benefits $	STI Cash Bonus $	Super-annuation $	Termination Benefits $	Long Service Leave $	**Total** $	% of remuneration performance related $
NON-EXECUTIVE DIRECTORS									
D Elphinstone	2013	174,000	-	-	-	-	-	**174,000**	
Chairman	2012	174,400	-	-	-	-	-	**174,400**	-
V De Santis	2013	80,000	-	-	-	-	-	**80,000**	-
	2012	21,753	-	-	-	-	-	**21,753**	-
D Hector	2013	92,000	-	-	8,280	-	-	**100,280**	-
	2012	92,000	-	-	8,280	-	-	**100,280**	-
R Dunning [1]	2013	86,000	-	-	7,740	-	-	**93,740**	-
	2012	86,000	-	-	7,740	-	-	**93,740**	-
SUB – TOTAL	**2013**	**432,000**	**-**	**-**	**16,020**	**-**	**-**	**448,020**	
	2012	374,153	-	-	16,020	-	-	**390,173**	
OTHER KEY MANAGEMENT									
D Quinn [2]	2013	443,757	-	50,000	22,960	-	-	**516,717**	-
Chief Executive Officer	2012	128,400	-	-	6,215	-	-	**134,615**	-
K Pallas [3]	2013	280,019	-	-	25,063	-	5,925	**311,007**	-
Chief Financial Officer	2012	228,794	20,000	-	20,592	-	-	**269,386**	-
P Coombe [3]	2013	184,518	-	-	20,025	80,000	-	**284,543**	-
Chief Financial Officer	2012	96,330	-	-	8,670	-	-	**105,000**	-
G Jean: resigned 25 Jan 2012	2013	-	-	-	-	-	-	**-**	-
Interim CFO / Company Secretary	2012	107,200	-	-	9,648	-	-	**116,848**	-
A Bagley	2013	186,279	-	-	16,765	-	-	**203,044**	-
Company Secretary	2012	120,677	-	-	10,860	-	-	**131,537**	-
G Parrett	2013	364,070	39,915	-	15,775	-	8,947	**428,707**	-
CEO – Drivetrain	2012	343,017	95,497	75,000 [5]	18,290	-	-	**531,804**	14.1%
P Swann	2013	186,644	70,605	-	20,641	-	8,528	**286,418**	-
General Manager – Convair	2012	223,142	-	-	20,083	-	-	**243,225**	-
G Thorn: appointed 8 Oct 2012	2013	223,913	12,384	-	21,267	-	-	**257,564**	-
EGM – Gemco Rail	2012	-	-	-	-	-	-	**-**	-
W Manners: resigned 29 Feb 2012 [4]	2013	-	-	-	-	-	-	**-**	-
CEO – Gemco Rail	2012	291,054	-	-	14,503	-	-	**305,557**	-
SUB – TOTAL	**2013**	**1,869,200**	**122,904**	**50,000**	**142,496**	**80,000**	**23,400**	**2,288,000**	
	2012	1,538,614	115,497	75,000	108,861	-	-	**1,837,972**	
TOTAL	**2013**	**2,301,200**	**122,904**	**50,000**	**158,516**	**80,000**	**23,400**	**2,736,020**	
	2012	1,912,767	115,497	75,000	124,881	-	-	**2,228,145**	

1 R Dunning was appointed as Interim Managing Director on 15 July 2013.
2 D Quinn resigned as Chief Executive Officer on 12 July 2013. The STI cash bonus paid in the year related to a guaranteed sum and did not relate to meeting performance targets.
3 P Coombe resigned as Chief Financial Officer on 1 March 2013. K Pallas was appointed as Chief Financial Officer (previously Chief Operating Officer), effective on this date.
4 W Manners was retained as a consultant until August 2012.
5 Bonus paid in 2012 was discretionary and referred to business performance in 2011.

Fees to Dale Elphinstone and Vincent De Santis are paid via agreements with Elphinstone Pty Ltd which is a related party of the Company. Fees to Don Hector are paid via an agreement with Grassick SSG Pty Ltd which is a related party of the Company.

Service Agreements

The employment conditions of key management personnel are formalised in contracts of employment. The employment contract does not stipulate a term of employment period but does stipulate a notice period for resignation and periods of remuneration and conditions under termination. Termination payments are not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time.

	Terms of Agreement	Termination Benefit
D Elphinstone	Ongoing director agreement	N/A - Non-Executive Director
V De Santis	Ongoing director agreement	N/A - Non-Executive Director
D Hector	Ongoing director agreement	N/A - Non-Executive Director
R Dunning *	Ongoing director agreement	N/A - Non-Executive Director
D Quinn	Permanent employment contract	3 months' pay
K Pallas	Permanent employment contract	8 weeks' pay
P Coombe	Permanent employment contract	8 weeks' pay
A Bagley	Permanent employment contract	8 weeks' pay
G Parrett	Permanent employment contract	12 months' pay
P Swann	Informal employment contract	N/A
G Thorn	Permanent employment contract	8 weeks' pay

* On 15 July 2013 Ross Dunning was appointed as Interim Managing Director.

Options and Rights Granted

In the 2012 and 2013 financial years no Executive Directors, Non-Executive Directors or Key Management Personnel have any options or rights.

This report of the directors is signed in accordance with a resolution of the Board of Directors.

Dale Elphinstone
Chairman

Dated 16 September 2013

Directors' Declaration

1. In the opinion of the directors of Engenco Ltd (the Company):

a. the financial statements and notes that are set out on pages 21 to 73, and the Remuneration report on pages 14 to 16 in the Directors' report, are in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and

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

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

2. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 30 June 2013.

3. The directors draw attention to Note 1 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Dale Elphinstone
Chairman

Dated 16 September 2013

Auditor's Independence Declaration

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Engenco Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2013 there have been:

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

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

KPMG

KPMG

M. Bisetto

Maurice Bisetto
Partner

Melbourne
16 September 2013

Independent Auditor's Report

Independent auditor's report to the members of Engenco Limited

Report on the financial report

We have audited the accompanying financial report of Engenco Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2013, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 32 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group 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 is free from material misstatement whether due to fraud or error. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

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

Independence

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

KPMG

Auditor's opinion

In our opinion:

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

(i) giving a true and fair view of the Group'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.

Material uncertainty regarding the ability of the Group to continue as a going concern

Without modification to the audit opinion set out above, we draw attention to note 1 in the financial report regarding the going concern basis of preparation of the financial report. The matters set out in note 1 indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Group to continue to operate as a going concern, and therefore whether it will realise its assets and extinguish its liabilities at the amounts stated in the financial report.

Report on the remuneration report

We have audited the remuneration report included in 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 auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Engenco Limited for the year ended 30 June 2013, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

M. Bisetto

Maurice Bisetto
Partner

Melbourne
16 September 2013

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2013

	Note	Consolidated Group 2013 $000	Consolidated Group 2012* $000
Revenue	2	176,088	199,197
Other income	2	1,247	2,028
Changes in inventories of finished goods and work in progress		(5,531)	(13,201)
Raw materials and consumables used		(89,729)	(84,916)
Employee benefits expense	3	(51,263)	(55,504)
Depreciation and amortisation expense		(12,634)	(11,006)
Impairment of goodwill and intangible assets		(43,275)	(3,813)
Impairment of property, plant and equipment		(20,350)	(3,547)
Impairment of inventory		(1,529)	(19,871)
Impairment of accounts receivable		(861)	(3,959)
Finance costs	3	(4,352)	(5,553)
Subcontract freight		(1,911)	(1,825)
Repairs and maintenance		(1,729)	(1,543)
Insurances		(1,770)	(1,913)
Rent and outgoings		(8,828)	(9,126)
Vehicle expenses		(715)	(477)
Fuel		(327)	(491)
Foreign exchange movements		(96)	(399)
Other expenses		(16,429)	(16,689)
PROFIT / (LOSS) BEFORE INCOME TAX		(83,994)	(32,608)
Income tax expense	4	(7,521)	(2,991)
PROFIT / (LOSS) FOR THE PERIOD		(91,515)	(35,599)
Profit / (loss) attributable to:			
Members of the parent entity		(87,731)	(35,683)
Non-controlling interest		(3,784)	84
		(91,515)	(35,599)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of overseas subsidiaries		1,833	(290)
Other comprehensive income for the period, net of tax		1,833	(290)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(89,682)	(35,889)
Total comprehensive income attributable to:			
Members of the parent entity		(85,898)	(35,973)
Non-controlling interest		(3,784)	84
		(89,682)	(35,889)
EARNINGS PER SHARE		Cents	Cents **
From continuing operations:			
Basic earnings per share (cents per share)	9	(40.06)	(25.85)
Diluted earnings per share (cents per share)	9	(40.06)	(25.85)

* 2012 comparative figures have been reclassified. Full details are disclosed in Note 1 (w).
** Restated for renounceable entitlement offer in the current financial year.

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated Statement of Financial Position

as at 30 June 2013

	Note	Consolidated Group 2013 $000	Consolidated Group 2012* $000
CURRENT ASSETS			
Cash and cash equivalents	10	5,028	3,759
Trade and other receivables	11	30,174	47,250
Inventories	12	39,179	44,710
Current tax receivables	20	336	-
Other current assets	17	1,358	1,868
TOTAL CURRENT ASSETS		76,075	97,587
NON-CURRENT ASSETS			
Trade and other receivables	11	2	513
Financial assets	13	20	17
Property, plant and equipment	15	61,404	86,856
Deferred tax assets	20	192	8,344
Intangible assets	16	3,536	49,091
TOTAL NON-CURRENT ASSETS		65,154	144,821
TOTAL ASSETS		141,229	242,408
CURRENT LIABILITIES			
Trade and other payables	18	15,864	30,278
Financial liabilities	19	23,468	49,153
Current tax liabilities	20	-	1,972
Short-term provisions	21	8,591	4,352
TOTAL CURRENT LIABILITIES		47,923	85,755
NON-CURRENT LIABILITIES			
Financial liabilities	19	427	1,120
Long-term provisions	21	2,106	1,996
Deferred tax liabilities	20	1,744	1,744
TOTAL NON-CURRENT LIABILITIES		4,277	4,860
TOTAL LIABILITIES		52,200	90,615
NET ASSETS		89,029	151,793
Issued capital	22	302,260	275,342
Reserves		591	(1,050)
Non-controlling interest		(778)	3,006
Retained earnings / (accumulated losses)		(213,044)	(125,505)
TOTAL EQUITY		89,029	151,793

* 2012 comparative figures have been reclassified. Full details are disclosed in Note 1 (w).

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2013

Consolidated Group	Issued Capital Ordinary Shares $000	Retained Earnings / (Accumulated Losses) $000	Non-controlling Interest $000	Foreign Currency Translation Reserve $000	Option Reserves $000	Total $000
BALANCE AT 1 JULY 2011	275,342	(89,822)	2,922	(952)	192	187,682
Shares issued during the year	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-
Total comprehensive income for the period	-	(35,683)	84	(290)	-	(35,889)
SUB-TOTAL	275,342	(125,505)	3,006	(1,242)	192	151,793
Share options expired during the year	-	-	-	-	-	-
BALANCE AT 30 JUNE 2012	275,342	(125,505)	3,006	(1,242)	192	151,793
BALANCE AT 1 JULY 2012 *	**275,342**	**(125,505)**	**3,006**	**(1,242)**	**192**	**151,793**
Shares issued during the year	**28,000**	-	-	-	-	**28,000**
Transaction costs	**(1,082)**	-	-	-	-	**(1,082)**
Total comprehensive income for the period	-	**(87,731)**	**(3,784)**	**1,833**	-	**(89,682)**
SUB-TOTAL	**302,260**	**(213,236)**	**(778)**	**591**	**192**	**89,029**
Share options expired during the year	-	**192**	-	-	**(192)**	-
BALANCE AT 30 JUNE 2013	**302,260**	**(213,044)**	**(778)**	**591**	-	**89,029**

* 2012 comparative figures have been reclassified. Full details are disclosed in Note 1 (w).

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended 30 June 2013

	Note	Consolidated Group 2013 $000	Consolidated Group 2012* $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		213,335	223,516
Payments to suppliers and employees		(201,175)	(215,157)
Interest received		103	348
Finance costs		(4,352)	(5,553)
Income tax paid		(1,676)	(4,012)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	25(b)	6,235	(858)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		517	1,359
Purchase of non-current assets		(5,769)	(7,994)
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES		(5,252)	(6,635)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		28,000	-
Payment of transaction costs related to issue of shares		(1,082)	-
Proceeds from borrowings		3,933	9,527
Repayment of borrowings		(25,462)	(14,759)
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES		5,389	(5,232)
Net increase / (decrease) in cash held		6,372	(12,725)
Cash (net of bank overdrafts) at beginning of financial year		(2,181)	10,544
CASH (NET OF BANK OVERDRAFTS) AT END OF FINANCIAL YEAR	25(a)	4,191	(2,181)

* 2012 comparative figures have been reclassified. Full details are disclosed in Note 1 (w).

The accompanying notes form an integral part of the consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2013

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Engenco Limited (the 'Company') is a company domiciled in Australia. The address of the Company's registered office is Level 22, 535 Bourke Street, Melbourne, VIC 3000. The consolidated financial statements as at, and for the year ended, 30 June 2013 comprise the Company and its controlled entities (together referred to as 'Group' or 'Consolidated Group' and individually as 'Controlled Entities'). The Group is a for-profit entity and is involved in the delivery of a diverse range of engineering services and products.

Basis of Preparation

Statement of Compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board of Directors on 16 September 2013.

Basis of Measurement

The financial report has been prepared on an accruals basis and is based on historical costs except for financial instruments at fair value through profit or loss, which are measured at fair value.

Going Concern

The full year financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity, and the realisation of assets and the settlement of liabilities in the ordinary course of business without the necessity to curtail or dispose of a material part of the operations.

At the time of issuing this report, the Group has available debt facilities (bank overdraft facility and bank guarantees) with the Commonwealth Bank of Australia (CBA) which are due to expire on 31 October 2014, and is then subject to annual review. As at 30 June 2013, Engenco Limited (excluding Greentrains Limited) was within its loan covenants with CBA.

Greentrains Limited (an 81% owned subsidiary of Engenco Limited) has a debt facility with a related party, Elph Pty Ltd (Elph). The facility is secured by assets owned by Greentrains Limited. The facility is currently non-recourse to the Group's other assets. The Elph debt facility is due to expire on 30 September 2014 but it is subject to termination events linked to compliance with debt covenants. As at 30 June 2013, Greentrains Limited was in breach of one of the covenants relating to the Elph debt facility. The breach was formally waived by Elph on 13 September 2013. Based on current management forecasts, Greentrains Limited may breach the Elph debt facility covenants. Further waivers may be required to be sought from Elph or covenants may require renegotiation with Elph. These conditions give rise to a material uncertainty that may cast doubt on the ability of Greentrains Limited and the Group to continue to operate as a going concern.

The Group's ability to continue as a going concern will also be dependent upon its ability to continue cash generating operations.

After making enquiries, and considering the uncertainties described above, the directors are satisfied that the Group will have sufficient cash and undrawn facilities to continue to operate and pay its debts as and when they fall due for the 12 month period from the date of signing this financial report. For these reasons, the directors have determined that it is appropriate for the Group to continue to adopt the going concern basis in preparing the financial report and no adjustments have been made to the carrying value and classification of assets and the amount and classification of liabilities that may be required if the Group does not continue as a going concern.

Note 1 – Summary of Significant Accounting Policies (cont'd)

Significant Accounting Policies

(a) Principles of Consolidation

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

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 14 – Controlled Entities. Investments in subsidiaries are carried at cost less accumulated impairment losses.

In preparing the consolidated financial statements, all inter-group balances and transactions and any unrealised income and expenses between entities in the Consolidated Group have been eliminated on consolidation. Accounting policies of subsidiaries are consistent with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the Statement of Financial Position and Statement of Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share in equity since that date.

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 (i.e. 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.

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 Comprehensive Income.

Note 1 – Summary of Significant Accounting Policies (cont'd)

(b) Income Tax

The income tax expense/benefit for the year comprises current income tax expense/benefit and deferred tax expense/benefit.

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

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

Current and deferred income tax expense/benefit 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 when the asset is realised or the liability is settled, based on the tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can 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.

Tax Consolidation

Engenco Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities/assets and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 31 October 2007. The tax consolidated group has entered into a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the group in proportion to their contribution to the group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of finished goods includes direct materials, direct labour and an appropriate portion of variable and fixed overheads included in bringing them to their existing location and condition. Costs are assigned on the basis of weighted average costs.

The cost of raw materials includes all costs to transport the goods to a location ready for use including any duties and charges on items purchased overseas.

Note 1 – Summary of Significant Accounting Policies (cont'd)

(d) Construction Contracts and Work in Progress

Construction work in progress is valued at cost, plus profit recognised to date less progress billings and any provision for anticipated future losses. Cost includes both variable and fixed costs relating to specific contracts, and those 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.

Work in progress is valued at cost. Cost includes both variable and fixed costs relating to specific projects, and those that are attributable to the project activity in general and that can be allocated on a reasonable basis.

(e) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their cost (being the consideration paid plus any additional direct costs), less accumulated depreciation for buildings.

Plant and equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and, where applicable, any accumulated impairment losses. The carrying amount of plant and equipment is reviewed annually by the 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 Consolidated Group includes the cost of materials, direct labour, capitalised 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 Statement of Comprehensive Income during the financial period in which they are incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Note 1 – Summary of Significant Accounting Policies (cont'd)

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value over their useful lives to the Consolidated Group 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
Leasehold improvements	20% - 67%
Plant and equipment	2.5% - 67%
Leased plant and equipment	30% - 67%
Buildings	2.50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. 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 Statement of Comprehensive Income.

(f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the assets, but not the legal ownership that is transferred to entities in the Consolidated Group, are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a diminishing value basis over their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(g) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

(1) the amount at which the financial asset or financial liability is measured at initial recognition;

(2) less principal repayments;

(3) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and

(4) less any reduction for impairment.

Note 1 – Summary of Significant Accounting Policies (cont'd)

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

Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

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 measured initially at fair value plus directly attributable transaction costs and subsequently at amortised cost.

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

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are measured initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Available-for-sale financial assets

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

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are measured initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

Fair value

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

Impairment

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

Financial guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

Note 1 – Summary of Significant Accounting Policies (cont'd)

The fair value of financial guarantee contracts has been assessed using a probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

(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 Statement of Comprehensive Income.

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

(1) the fair value of consideration transferred;

(2) any non-controlling interest; and

(3) the acquisition date fair value of any previously held equity interest over the acquisition date fair value of net identifiable assets acquired.

The value of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest measures the non-controlling interest in the acquiree using the proportionate interest method.

Refer to Note 16 – Intangible Assets for information on the goodwill policy adopted by the Group for acquisitions.

Goodwill on acquisitions of subsidiaries is included in intangible assets.

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

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

Customer related intangibles

Customer related intangibles are stated at cost less accumulated amortisation and, where applicable, any accumulated impairment losses. Customer related intangibles are amortised over a period of 3 to 10 years.

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and, where applicable, any accumulated impairment losses. Patents and trademarks are amortised over their useful life. The current patents and trademarks are amortised over a period of up to 13 years.

Other identifiable intangibles

Computer software and other intangibles are stated at cost less accumulated amortisation and, where applicable, any accumulated impairment losses. Computer software and other identifiable intangibles are amortised over a period of 5 to 8 years.

Note 1 – Summary of Significant Accounting Policies (cont'd)

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

(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 reporting date 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 Statement of Comprehensive Income, 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 Statement of Comprehensive Income.

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 exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings 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 Comprehensive Income. These differences are recognised in the Statement of Comprehensive Income in the period in which the operation is disposed.

(k) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting 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.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Comprehensive Income in the periods during which related services are rendered by employees.

(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.

Note 1 – Summary of Significant Accounting Policies (cont'd)

(m) Provision for Warranties

Provision is made in respect of the Consolidated Group's estimated liability on all products and services under warranty at reporting date. The future cash flows have been estimated by reference to the Consolidated Group's history of warranty claims.

(n) 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 three months or less, and bank overdrafts. Bank overdrafts, where the Group does not have the legal right and the intention to settle on a net basis, are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

(o) Revenue and Other Income

Revenue is measured at fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue from the sale of goods is recognised at the point of delivery or as contractually negotiated as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Revenue relating to construction activities is detailed in Note 1(d).

Interest revenue is recognised as it accrues using the effective interest rate method.

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

(p) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability if expected to be settled within 12 months.

(q) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying 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 Statement of Comprehensive Income in the period in which they are incurred.

(r) Goods and Services Tax (GST)

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

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

Note 1 – Summary of Significant Accounting Policies (cont'd)

(s) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Refer to Note 1(w).

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a Statement of Financial Position as at the beginning of the earliest comparative period will be disclosed.

(t) Rounding of Amounts

The Group has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial statements and Directors' Report have been rounded off to the nearest thousand dollars (unless otherwise indicated).

(u) Critical Accounting Estimates and Judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Goodwill and intangibles

Significant judgments are made with respect to identifying and valuing intangible assets on acquisitions of new businesses. The Group assesses impairment of intangibles 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 asset is determined. Value-in-use and fair value calculations performed in assessing recoverable amounts incorporate a number of key estimates which can be found in Note 16 – Intangible Assets.

Income tax

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors' understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents the directors' best estimate, pending an assessment by taxable authorities in relevant jurisdictions. Further details can be found in Notes 4 – Income Tax Expense and Note 20 – Tax Assets and Liabilities.

Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use and fair value calculations which incorporate various key assumptions.

Trade receivables are reviewed and impaired where significant uncertainty is identified as to the recoverability of amounts due, and where the amounts to which the uncertainty relates can be quantified. Further details can be found in Note 11 – Trade and Other Receivables.

Property, plant and equipment is assessed for impairment with reference to fair value less cost to sell. Further details can be found in Note 15 – Property, Plant and Equipment.

Net realisable value – inventory and WIP

Inventory and WIP value is determined using the net realisable value, where the cost is in excess of this value.

Note 1 – Summary of Significant Accounting Policies (cont'd)

(v) New Accounting Standards and Interpretations

New accounting standards adopted

From 1 July 2012 the Group applied amendments to AASB 101 Presentation of Financial Statements outlined in AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income. The change in accounting policy only relates to disclosures and has had no impact on consolidated earnings per share or net income. The changes have been applied retrospectively and require the Group to separately present those items of other comprehensive income that may be reclassified to profit or loss in the future from those that will never be reclassified to profit or loss. These changes are included in the Statement of Comprehensive Income.

New accounting standards not yet adopted

A number of new standards, amendments to standards and interpretations which may be relevant to the Group were available for early adoption but have not been applied in preparing these financial statements.

The Group does not plan to adopt these standards early and the extent of the impact has not yet been determined.

(w) Prior Year Reclassifications

The 2012 comparative figures have been reclassified as follows:

Consolidated Statement of Comprehensive Income

'Impairment of inventory' was previously reported within 'Raw materials and consumables used'. This has been reported separately in the current financial year with the 2012 comparatives being reclassified.

'Impairment of accounts receivable' was previously reported within 'Other expenses'. This has been reported separately in the current financial year with the 2012 comparatives being reclassified.

	2012 Annual Report $000	2012 Reclassified $000	Change $000
Raw materials and consumables used	(104,787)	(84,916)	19,871
Impairment of inventory	-	(19,871)	(19,871)
Impairment of accounts receivable	-	(3,959)	(3,959)
Other expenses	(20,648)	(16,689)	3,959

Note 1 – Summary of Significant Accounting Policies (cont'd)

Consolidated Statement of Financial Position

'Cash and cash equivalents' has been reclassified to account for the net cash balance where the Group has a legal right of offset and the intention to settle on a net basis (offsetting adjustment within 'Current financial liabilities').

'Property, plant and equipment' has been reclassified to account for software assets being reclassified to 'Intangible assets'.

'Profit reserve for foreign deferred tax' has been reclassified as 'Retained earnings / (accumulated losses)'.

	2012 Annual Report $000	2012 Reclassified $000	Change $000
Cash and cash equivalents	15,644	3,759	(11,885)
Current financial liabilities	61,038	49,153	11,885
Property, plant and equipment	92,072	86,856	(5,216)
Intangible assets	43,875	49,091	5,216
Reserves	3,756	(1,050)	(4,806)
Retained earnings / (accumulated losses)	(130,311)	(125,505)	4,806

Consolidated Statement of Changes in Equity

'Profit reserve for foreign deferred tax' has been reclassified as 'Retained earnings / (accumulated losses)'.

	2012 Annual Report $000	2012 Reclassified $000	Change $000
Retained earnings / (accumulated losses)	(130,311)	(125,505)	4,806
Foreign deferred tax reserve	4,806	-	(4,806)

Consolidated Statement of Cash Flows

'Receipts from customers' and 'Payments to suppliers and employees' have been reclassified to include GST.

	2012 Annual Report $000	2012 Reclassified $000	Change $000
Receipts from customers	203,596	223,516	19,920
Payments to suppliers and employees	(195,237)	(215,157)	(19,920)

Note 2 – Revenue and Other Income

	Consolidated Group 2013 $000	Consolidated Group 2012 $000
SALES REVENUE		
Sales of goods and services	**166,899**	189,017
Lease rental income	**9,086**	9,832
TOTAL SALES REVENUE	**175,985**	198,849
OTHER REVENUE		
Interest received - external	**103**	348
TOTAL OTHER REVENUE	**103**	348
TOTAL REVENUE	**176,088**	199,197
OTHER INCOME		
Gain on disposal of property, plant and equipment	**108**	124
Other gains	**1,139**	1,904
TOTAL OTHER INCOME	**1,247**	2,028

Note 3 – Expenses

	Consolidated Group 2013 $000	Consolidated Group 2012 $000
FINANCE COSTS		
Interest – external	**1,684**	2,598
Interest – related parties	**2,099**	2,050
Other finance costs	**569**	905
TOTAL FINANCE COSTS	**4,352**	5,553
EMPLOYEE BENEFITS EXPENSE		
Wages and salaries	**41,570**	47,169
Annual leave expense	**3,764**	3,677
Long service leave expense	**357**	281
Termination costs	**1,167**	-
Defined contribution plan	**4,405**	4,377
TOTAL EMPLOYEE BENEFITS EXPENSE	**51,263**	55,504
RENTAL EXPENSE ON OPERATING LEASES		
Minimum lease payments	**6,789**	7,504
TOTAL RENTAL EXPENSE ON OPERATING LEASES	**6,789**	7,504

Note 4 – Income Tax Expense

		Consolidated Group 2013 $000	Consolidated Group 2012 $000
(a)	**The components of tax expense comprise:**		
	Current income tax expense/(benefit)		
	- Current income tax expense/(benefit)	(345)	2,183
	- Adjustment for prior years	(286)	-
	Deferred income tax expense/(benefit)		
	- Derecognition of deferred tax assets	8,344	685
	- Relating to origination and reversal of temporary differences	(192)	123
	Income tax expense reported in the Statement of Comprehensive Income	7,521	2,991
(b)	**A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:**		
	Accounting profit (loss) before tax	(83,994)	(32,608)
	At the Company's statutory domestic income tax rate of 30% (2012: 30%)	(25,198)	(9,782)
	Add / (Less) tax effect of:		
	- Non-deductible depreciation and amortisation	6,105	1,703
	- Research and development deduction	-	(49)
	- Impairment of goodwill and other intangibles	12,983	1,144
	- Foreign tax rate adjustment	(176)	(75)
	- Losses for which no deferred tax asset is recognised	6,752	9,413
	- Derecognition of deferred tax assets	8,344	-
	- Adjustment for prior years	(286)	-
	- Movements in unrecognised temporary differences	(1,003)	(25)
	- Other non-allowable items	-	662
	Income tax expense	7,521	2,991
	Effective income tax rate	(9.0%)	(9.2%)

Note 5 – Key Management Personnel

(a) Directors

The following persons were directors of Engenco Limited during the financial year:

Name	**Position**
D Elphinstone	Chairman
V De Santis	Non-Executive Director (Interim Managing Director until 22 February 2012)
D Hector	Non-Executive Director
R Dunning	Non-Executive Director (appointed Interim Managing Director on 15 July 2013)

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

Name	**Position**
D Quinn	Chief Executive Officer (resigned 12 July 2013)
K Pallas	Chief Operating Officer; Chief Financial Officer (appointed 1 March 2013)
P Coombe	Chief Financial Officer (resigned 1 March 2013)
A Bagley	Company Secretary
G Parrett	CEO – Drivetrain Power and Propulsion (resigned 26 August 2013)
P Swann	General Manager – Convair Engineering
G Thorn	CEO – Gemco Rail (appointed 8 October 2012)

(c) Key management personnel compensation

The totals of remuneration paid to key management personnel during the year (including termination benefits) are as follows:

	2013 **$**	2012 $
Short-term employee benefits	**2,474,104**	2,103,264
Post-employment benefits	**158,516**	124,881
Termination benefits	**80,000**	-
Other long-term benefits	**23,400**	-
TOTAL	**2,736,020**	2,228,145

Note 5 – Key Management Personnel (cont'd)

(d) Equity instrument disclosures relating to key management personnel

Options

No options are currently on issue to key management personnel.

(e) Shareholdings

Number of shares held by key management personnel at 30 June 2012 and 30 June 2013:

2012	Balance 1 July 2011	Received as compensation	Options exercised	Share consolidation *	Net change other	Balance 30 June 2012
D Elphinstone	445,616,538	-	-	(404,999,999)	6,122,096	46,738,635
V De Santis	1,000,000	-	-	(1,079,999)	200,000	120,001
D Hector	136,647	-	-	(212,982)	100,000	23,665
R Dunning	100,000	-	-	(180,000)	100,000	20,000
D Quinn	-	-	-	-	-	-
K Pallas	50,000	-	-	(45,000)	-	5,000
P Coombe	-	-	-	-	-	-
A Bagley	-	-	-	-	-	-
G Parrett	201,654	-	-	(181,488)	-	20,166
W Manners	118,421	-	-	(106,578)	-	11,843
P Swann	101,094	-	-	(90,984)	-	10,110

* During November 2011 there was a share consolidation whereby every ten (10) fully paid ordinary shares on issue were consolidated into one (1) fully paid ordinary share. Each fraction of a share was rounded up.

2013	Balance 1 July 2012	Received as compensation	Options exercised	Share consolidation	Net change other	Balance 30 June 2013
D Elphinstone	**46,738,635**	-	-	-	**155,510,383**	**202,249,018**
V De Santis	**120,001**	-	-	-	**180,002**	**300,003**
D Hector	**23,665**	-	-	-	**89,498**	**113,163**
R Dunning	**20,000**	-	-	-	**84,000**	**104,000**
D Quinn	-	-	-	-	-	-
K Pallas	**5,000**	-	-	-	-	**5,000**
P Coombe	-	-	-	-	-	-
A Bagley	-	-	-	-	-	-
G Parrett	**20,166**	-	-	-	-	**20,166**
W Manners	**11,843**	-	-	-	-	**11,843**
P Swann	**10,110**	-	-	-	**15,165**	**25,275**
G Thorn	-	-	-	-	-	-

(f) Other key management personnel transactions

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with key management personnel, refer to Note 29 - Related Party Transactions.

Note 6 – Parent Entity Disclosures

As at, and throughout the financial year ended 30 June 2013, the parent entity of the Group was Engenco Limited. The ultimate controlling party of the Company at reporting date was Elph Investments Pty Ltd, incorporated in Australia.

	2013 $000	2012 $000
(a) Financial Position		
ASSETS		
Current assets	213	1,100
Non-current assets	99,483	172,875
TOTAL ASSETS	99,696	173,975
LIABILITIES		
Current liabilities	8,778	20,492
Non-current liabilities	1,889	1,690
TOTAL LIABILITIES	10,667	22,182
NET ASSETS	89,029	151,793
EQUITY		
Issued capital	302,260	275,342
Reserves:		
Option reserves	-	192
Accumulated losses	(213,231)	(123,741)
TOTAL EQUITY	89,029	151,793
(b) Financial Performance		
COMPREHENSIVE INCOME		
(Loss) / Profit for the year	(89,682)	(35,744)
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS)	(89,682)	(35,744)

(c) Guarantees

The parent entity acts as guarantor for bank debt facilities. Details of these facilities can be found in Note 19(c) – Financial Liabilities.

(d) Contingent Liabilities

At 30 June 2013, the parent entity has no significant contingent liabilities (2012: Nil).

(e) Contractual Commitments

At 30 June 2013, the parent entity had not entered into any contractual commitments for the acquisition of property, plant and equipment and other intangible assets (2012: Nil).

Note 7 – Auditor's Remuneration

	Consolidated Group 2013 $	Consolidated Group 2012 $
Audit and review services		
Auditors of the Company		
- KPMG Australia – audit and review of financial statements	290,000	-
- KPMG Overseas – audit and review of financial statements	77,000	62,000
Other auditors		
- audit and review of financial statements	44,000	432,000
TOTAL AUDIT AND REVIEW SERVICES	411,000	494,000
Other Services		
Auditors of the Company		
- KPMG Australia – other assurance services	75,000	-
- KPMG Overseas – tax services	20,000	-
TOTAL OTHER SERVICES	95,000	-

Note 8 – Dividends

The directors have decided not to declare a final dividend.

	Consolidated Group 2013 $000	Consolidated Group 2012 $000
(a) DECLARED AND PAID		
Final fully franked ordinary dividend of nil (2012: nil) cents per share franked at the tax rate of 30% (2012: 30%)	-	-
(b) FRANKING CREDIT BALANCE		
The amount of franking credits available for subsequent financial years are:		
Franking account balance as at the end of the financial year at 30% (2012: 30%)	11,253	11,253

Note 9 – Earnings Per Share

	Consolidated Group 2013 $000	Consolidated Group 2012 $000
(a) RECONCILIATION OF EARNINGS TO PROFIT OR LOSS		
Profit / (Loss) for the period	**(91,515)**	(35,599)
Attributable to non-controlling equity interest	**3,784**	(84)
Earnings used to calculate basic EPS	**(87,731)**	(35,683)
Earnings used in the calculation of dilutive EPS	**(87,731)**	(35,683)
(b) RECONCILIATION OF EARNINGS TO PROFIT OR LOSS FROM CONTINUING OPERATIONS		
Profit / (Loss) from continuing operations	**(91,515)**	(35,599)
Attributable to non-controlling equity interest in respect of continuing operations	**3,784**	(84)
Earnings used to calculate basic EPS from continuing operations	**(87,731)**	(35,683)
Earnings used in the calculation of dilutive EPS from continuing operations	**(87,731)**	(35,683)
	No. '000	**No. '000**
(c) WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES OUTSTANDING DURING THE YEAR USED IN CALCULATING BASIC EPS	**219,019**	138,038 *
Weighted average number of dilutive options outstanding	**-**	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	**219,019**	138,038

* Restated for renounceable entitlement offer (rights issue) in the current financial year.

Note 10 – Cash and Cash Equivalents

	Consolidated Group 2013 $000	Consolidated Group 2012 $000
CASH AT BANK AND IN HAND	**5,028**	3,759
	5,028	3,759

As at the reporting date, where the Group has the legally enforceable right of set-off and the intention to settle on a net basis, the Group has set-off bank overdrafts of $17,469,204 (2012: $16,245,338) against cash and cash equivalents of $19,975,541 (2012: $11,194,198) resulting in a net cash position of $2,506,337 (2012: net bank overdraft position of $5,051,140).

Note 11 – Trade and Other Receivables

	Note	Consolidated Group 2013 $000	Consolidated Group 2012 $000
CURRENT			
Trade receivables		**30,446**	46,380
Provision for impairment of receivables	11 (b)	**(1,143)**	(4,587)
Total trade receivables		**29,303**	41,793
Accrued income		**701**	5,188
Sundry receivables		**170**	269
Total other receivables		**871**	5,457
TOTAL CURRENT TRADE AND OTHER RECEIVABLES		**30,174**	47,250
NON-CURRENT			
Amounts receivable from:			
- Key management personnel and employees	11 (a)	**2**	513
TOTAL NON-CURRENT TRADE AND OTHER RECEIVABLES		**2**	513

(a) Key management personnel

	Balance at Beginning of Year $	Interest Charged $	Interest Not Charged $	Provision for Impairment $	Loan Repayment $	Balance at End of Year $	Number of Individuals
2013	**512,500**	**-**	**30,750**	**(508,686)**	**(1,714)**	**2,100**	**2**
2012	512,500	-	30,000	-	-	512,500	4

Individuals with loans above $100,000 in reporting period:

	Balance at Beginning of Year $	Interest Charged $	Interest Not Charged $	Provision for Impairment $	Loan Repayment $	Balance at End of Year $	Highest Balance During Period
G Parrett	205,000	-	12,300	(203,600)	-	1,400	205,000
K Pallas	102,500	-	6,150	(101,800)	-	700	102,500
J Hickey	102,500	-	6,150	(101,620)	(880)	-	102,500
A Butters	102,500	-	6,150	(101,666)	(834)	-	102,500

The amounts shown for interest not charged in the tables above represent the difference between the amount paid and payable for the year and the amount of interest that would have been charged on an arm's length basis.

Note 11 – Trade and Other Receivables (cont'd)

(b) Provision for impairment of receivables

Current trade and other receivables are non-interest bearing and generally on 30 to 60 day terms. Trade and other 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. These amounts have been included in impairment of accounts receivable and other expenses in the Statement of Comprehensive Income.

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

	Consolidated Group			
2013	Opening Balance 1 Jul 2012 $000	Charge for the Year $000	Amounts Written Off $000	Closing Balance 30 Jun 2013 $000
Current trade receivables	**(4,587)**	**(1,627)**	**5,071**	**(1,143)**
	(4,587)	**(1,627)**	**5,071**	**(1,143)**
2012	Opening Balance 1 Jul 2011 $000	Charge for the Year $000	Amounts Written Off $000	Closing Balance 30 Jun 2012 $000
Current trade receivables	(860)	(4,445)	718	(4,587)
	(860)	(4,445)	718	(4,587)

The following table details the Group's trade and other receivables exposed to credit risk with ageing analysis and impairment provided 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.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Consolidated Group						
	Gross Amount	Past Due and Impaired	Past due but not impaired				Within initial trade terms
			< 30 days	31 – 60 days	61 – 90 days	> 90 days	
	$000	$000	$000	$000	$000	$000	$000
2013							
Trade receivables	**30,446**	**1,143**	**6,357**	**2,397**	**2,136**	**1,849**	**16,564**
Other receivables	**871**	-	-	-	-	-	**871**
Total	**31,317**	**1,143**	**6,357**	**2,397**	**2,136**	**1,849**	**17,435**
2012							
Trade receivables	46,380	4,587	11,308	4,072	2,663	1,866	21,884
Other receivables	5,457	-	-	-	-	-	5,457
Total	51,837	4,587	11,308	4,072	2,663	1,866	27,341

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reportable date. The concentration of credit risk is limited to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

Note 12 – Inventories

	Consolidated Group 2013 $000	Consolidated Group 2012 $000
CURRENT		
At cost:		
- Raw materials and stores	-	7
- Work in progress	5,136	2,016
- Finished goods	29,057	33,097
	34,193	35,120
At net realisable value:		
- Work in progress	-	4,450
- Finished goods	4,986	5,140
	4,986	9,590
TOTAL INVENTORY	39,179	44,710

The Group has completed a comprehensive review of the carrying value of inventory. As a result of the review, inventory has been impaired by $1,529,000 (2012: $19,871,000).

Note 13 – Financial Assets

	Consolidated Group 2013 $000	Consolidated Group 2012 $000
NON CURRENT		
Shares in listed companies	13	11
Loans receivable - other	7	6
TOTAL FINANCIAL ASSETS	20	17

Note 14 – Controlled Entities

Note: Subsidiaries are indented beneath their parent entity	Country of Incorporation	Date of Control	Percentage Owned 2013	Percentage Owned 2012
• **Engenco Limited**	Australia			
▪ Convair Engineering Pty Ltd	Australia	1 Jul 06	100	100
▪ Engenco Logistics Pty Ltd (formerly Coote Logistics Pty Ltd)	Australia	1 Jul 06	100	100
• Asset Kinetics Pty Ltd	Australia	1 Jul 06	100	100
▪ Engenco Investments Pty Ltd (formerly Coote Investments Pty Ltd)	Australia	18 Apr 07	100	100
• Australian Rail Mining Services Pty Ltd	Australia	30 Apr 07	100	100
• Centre for Excellence in Rail Training Pty Ltd	Australia	30 Apr 07	100	100
• EGN Rail Pty Ltd	Australia	30 Apr 07	100	100
• EGN Rail (NSW) Pty Ltd	Australia	30 Apr 07	100	100
• Midland Railway Company Pty Ltd	Australia	30 Apr 07	100	100
• Momentum Rail (Vic) Pty Ltd	Australia	30 Apr 07	100	100
• Momentum Rail (WA) Pty Ltd	Australia	30 Apr 07	100	100
• Sydney Railway Company Pty Ltd	Australia	30 Apr 07	100	100
• Greentrains Limited [1]	Australia	17 Jul 09	81	81
* Greentrains Leasing Pty Ltd	Australia	18 Jun 08	100	100
▪ Drivetrain Power and Propulsion Pty Ltd	Australia	1 Jul 06	100	100
• Drivetrain Australia Pty Ltd	Australia	1 Jul 06	100	100
* DTPP Energy Pty Ltd	Australia	25 May 10	100	100
* Drivetrain Philippines Inc	Philippines	1 Jul 07	100	100
* Drivetrain Singapore Pte Ltd	Singapore	1 Jul 07	100	100
* Drivetrain Limited	New Zealand	1 Jul 07	100	100
* Drivetrain USA Inc	USA	31 Dec 08	100	100
○ Hyradix Inc	USA	31 Dec 08	100	100
○ Drivetrain Americas Inc [2]	USA	18 Feb 11	-	100
* Hedemora Investments AB	Sweden	1 Jul 06	100	100
○ Drivetrain Sweden AB	Sweden	1 Jul 06	100	100
▪ Gemco Rail Pty Ltd	Australia	1 Jul 07	100	100
• Railway Bearings Refurbishment Services Pty Ltd	Australia	1 Jul 07	100	100
• New RTS Pty Ltd	Australia	3 Dec 08	100	100
▪ Hedemora Pty Ltd	Australia	1 Jul 06	100	100
▪ Industrial Powertrain Pty Ltd	Australia	1 Jul 07	100	100
• PC Diesel Pty Ltd	Australia	1 Jul 06	100	100
▪ Total Momentum Pty Ltd	Australia	30 Apr 07	100	100

1 Total Engenco Group ownership of Greentrains Ltd is 81% (split between Engenco Investments Pty Ltd, 61%, and Engenco Ltd, 20%).
2 During the year Drivetrain Americas Inc was dissolved.

Note 15 – Property, Plant and Equipment

	Consolidated Group 2013 $000	Consolidated Group 2012 $000
LAND AND BUILDINGS		
Freehold land:		
- At cost	53	53
Total Land	53	53
Buildings:		
- At cost	768	762
- Less accumulated depreciation	(498)	(478)
Total Buildings	270	284
TOTAL LAND AND BUILDINGS	323	337
PLANT AND EQUIPMENT *		
Plant and equipment:		
- At cost	96,330	116,248
- Accumulated depreciation	(38,601)	(32,359)
Total Plant and Equipment	57,729	83,889
Leasehold improvements:		
- At cost	3,377	2,259
- Accumulated depreciation	(1,071)	(881)
Total Leasehold Improvements	2,306	1,378
Leased plant and equipment:		
- Capitalised leased assets	1,334	2,633
- Accumulated depreciation	(288)	(1,381)
Total Leased Plant and Equipment	1,046	1,252
TOTAL PLANT AND EQUIPMENT	61,081	86,519
TOTAL PROPERTY, PLANT AND EQUIPMENT	61,404	86,856

* Plant and Equipment has been restated to include the reclassification of SAP capitalised assets from Property, Plant & Equipment to Intangible Assets. Refer to Note 1(w).

Property, Plant and Equipment of $43,129,000 (2012: $68,124,000) was pledged as security as part of the Group's total financing arrangements as at the reporting date.

Note 15 – Property, Plant and Equipment (cont'd)

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Consolidated Group					
	Freehold Land $000	Buildings $000	Leasehold Improvements $000	Plant and Equipment $000	Leased Plant and Equipment $000	Total $000
BALANCE AT 1 JULY 2011	53	283	1,400	84,831	5,008	91,575
Additions	-	23	153	8,733	357	9,266
Disposals	-	-	(62)	(1,011)	(841)	(1,914)
(Impairment) / reversal of impairment	-	-	-	(672)	(2,875)	(3,547)
Depreciation expense	-	(22)	(113)	(7,992)	(397)	(8,524)
Disposals of assets on sale of subsidiary	-	-	-	-	-	-
BALANCE AT 30 JUNE 2012	53	284	1,378	83,889	1,252	86,856
Additions	-	**6**	**1,291**	**3,625**	**369**	**5,291**
Disposals	-	-	**(55)**	**(259)**	**(268)**	**(582)**
(Impairment) / reversal of impairment	-	-	-	**(20,350)**	-	**(20,350)**
Depreciation expense	-	**(20)**	**(308)**	**(9,176)**	**(307)**	**(9,811)**
Disposals of assets on sale of subsidiary	-	-	-	-	-	-
BALANCE AT 30 JUNE 2013	**53**	**270**	**2,306**	**57,729**	**1,046**	**61,404**

As at the reporting date, there existed key impairment indicators. The Group has completed a comprehensive review of the carrying value of property, plant and equipment. As a result of the review property, plant and equipment has been impaired by $20,350,000 (2012: $3,547,000).

Note 16 – Intangible Assets

	Consolidated Group 2013 $000	Consolidated Group 2012 $000
GOODWILL		
Cost:		
Opening balance	**32,459**	36,272
Impairment for the year	**(32,459)**	(3,813)
Closing balance	**-**	32,459
CUSTOMER RELATED INTANGIBLES		
Cost:		
Opening balance	**14,494**	14,494
Additions	**-**	-
Closing balance	**14,494**	14,494
Accumulated amortisation:		
Opening balance	**(7,477)**	(5,980)
Amortisation for the year	**(666)**	(1,497)
Impairment for the year	**(6,351)**	-
Closing balance	**(14,494)**	(7,477)
Net book value	**-**	7,017
PATENTS AND TRADEMARKS		
Cost:		
Opening balance	**1,227**	1,227
Additions	**-**	-
Closing balance	**1,227**	1,227
Accumulated amortisation:		
Opening balance	**(553)**	(457)
Amortisation for the year	**(47)**	(96)
Impairment for the year	**(627)**	-
Closing balance	**(1,227)**	(553)
Net book value	**-**	674

Note 16 – Intangible Assets (cont'd)

	Consolidated Group 2013 $000	Consolidated Group 2012* $000
OTHER IDENTIFIABLE INTANGIBLES		
Cost:		
Opening balance	**12,372**	9,542
Additions	**543**	2,830
Closing balance	**12,915**	12,372
Accumulated amortisation:		
Opening balance	**(3,431)**	(2,542)
Amortisation for the year	**(2,110)**	(889)
Impairment for the year	**(3,838)**	-
Closing balance	**(9,379)**	(3,431)
Net book value	**3,536**	8,941
TOTAL INTANGIBLE ASSETS		
At cost	**61,095**	64,365
Accumulated amortisation and impairment	**(57,559)**	(15,274)
Net book value	**3,536**	49,091

* Other Identifiable Intangibles have been restated to include the reclassification of SAP capitalised assets from Property, Plant & Equipment to Intangible Assets. Refer to Note 1(w).

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense in the Statement of Comprehensive Income. Goodwill has an infinite useful life.

As at the reporting date, there existed key impairment indicators. These included the Group valuation reported in an Independent Expert's Report dated 16 January 2013, the current business performance of the Group and the ASX market capitalisation. Based on these factors the total intangible value (excluding reclassified software costs) of $43,275,000 on the Consolidated Statement of Financial Position has been impaired.

Note 17 – Other Assets

	Consolidated Group 2013 $000	Consolidated Group 2012 $000
CURRENT		
Other current assets	**268**	242
Prepayments	**1,090**	1,626
TOTAL CURRENT OTHER ASSETS	**1,358**	1,868

Note 18 – Trade and Other Payables

	Consolidated Group 2013 $000	Consolidated Group 2012 $000
CURRENT		
Unsecured liabilities:		
Trade payables	11,566	20,722
ATO payables	1,113	6,156
Sundry payables and accrued expenses	3,185	3,220
Deferred income	-	180
TOTAL TRADE AND OTHER PAYABLES	15,864	30,278

Note 19 – Financial Liabilities

	Note	Consolidated Group 2013 $000	Consolidated Group 2012 $000
CURRENT			
Secured liabilities:			
Bank overdrafts	25(a)	837	5,940
Lease liability		239	335
Other loans		177	-
Loans from related parties	29(d)	22,000	22,000
Bank loans		215	20,878
TOTAL CURRENT FINANCIAL LIABILITIES		23,468	49,153
NON-CURRENT			
Secured liabilities:			
Bank loans		-	1,120
Lease liability		427	-
TOTAL NON-CURRENT FINANCIAL LIABILITIES		427	1,120

(a) Total current and non-current secured liabilities:

	Note	Consolidated Group 2013 $000	Consolidated Group 2012 $000
Bank overdraft		837	5,940
Bank loans		215	21,998
Other loans		177	-
Loans from related parties		22,000	22,000
Lease liability	23(a)	666	335
		23,895	50,273

Note 19 – Financial Liabilities (cont'd)

(b) Collateral provided

Bank Debt

The bank debt is secured by first registered fixed and floating charges over assets owned by Engenco Limited and other Group members excluding Greentrains Limited and its subsidiary. The financial covenants were renegotiated in January 2013 and applied to the quarter to March 2013 and the 6 months to June 2013.

Key financial covenants agreed between Engenco Limited and its primary lender (CBA) are:

i. **Asset Cover Ratio,** (the ratio of tangible assets less employee liabilities to the accommodation limit) of at least 4.0 times at 31 March 2013 and June 2013;
ii. **Debt Service Cover Ratio**, (the ratio of EBITDA adjusted for working capital movement in the period, less capital expenditure financed from operational cash-flow to interest expense) to be at least 1.75 for the 3 months to March 2013 and at least 2.00 for the 6 months to June 2013).

Related Party Debt

The debt with Elph Pty Ltd is secured by first registered fixed and floating charges over assets owned by Greentrains Limited.

Key financial covenants agreed between Greentrains Limited and its related party (Elph Pty Ltd) are:

i. **Interest Coverage Ratio**, (the ratio of EBITDA to gross interest expense) to be greater than 2.0 times;
ii. **Loan to Valuation Ratio**, (the ratio of the total outstanding loan to the total of the locomotive asset value) to be less than 0.5 times; and
iii. **Gearing Ratio**, (the ratio of Total Debt to EBITDA) to be no more than 5.0 times.

Defaults and Breaches

As a consequence of the impairment of property, plant and equipment in Greentrains Limited the loan to valuation ratio covenant relating to the debt facility with Elph Pty Ltd was breached. A waiver was obtained from Elph Pty Ltd on 13 September 2013.

Lease Liabilities

Lease liabilities are secured by underlying leased assets.

(c) Debt facilities and credit standby arrangements

A summary of the Group's loan facilities are provided in the table below:

	Facility Available 2013 $000	**Facility Used 2013 $000**	**Maturity Dates 2013**	Facility Available 2012 $000	Facility Used 2012 $000	Maturity Dates 2012	Interest Basis
- Cash Advance Facility	**-**	**-**	**Jul-13**	16,964	16,964	Jul-13	Floating
- Working Capital Multi Option Facility *	**12,500**	**3,000**	**Jul-13**	12,500	8,319	Jul-13	Floating
- Drivetrain NAB Loan Facility	**-**	**-**	**Jun-13**	3,000	3,000	Various	Floating
- Swedish Loan Facility (EUR and SEK)	**215**	**215**	**Mar-14**	1,842	1,842	Various	Floating
- Swedish Overdraft Facility (SEK)	**1,960**	**737**	**n/a**	1,693	1,538	n/a	Floating
- Greentrains Loan Facility	**30,000**	**22,000**	**Jul-13**	30,000	22,000	Jul-13	Floating
- Other Loans	**177**	**177**	**Jun-13**	-	-	n/a	n/a
- Leases	**666**	**666**	**Various**	335	335	Various	Fixed
	45,518	**26,795**		66,334	53,998		

* Comprises net bank overdrafts, off balance sheet bank guarantees of $3,400,000, business cards and other trade products.

Note 20 – Tax Assets and Liabilities

	Consolidated Group 2013 $000	Consolidated Group 2012 $000
CURRENT		
Income tax (receivable) / payable	(336)	1,972
TOTAL	(336)	1,972

This relates to tax receivable/payable for Group companies outside the Australian Tax Consolidated Group.

	Consolidated Group						
	Opening Balance $000	Balance Acquired $000	Charged to Income $000	Charged directly to Equity $000	Changes in Tax rate $000	Exchange Differences $000	Closing Balance $000
NON-CURRENT							
Deferred tax liability:							
Other	1,300	-	444	-	-	-	1,744
Balance at 30 June 2012	1,300	-	444	-	-	-	1,744
Other	1,744	-	-	-	-	-	1,744
Balance at 30 June 2013	1,744	-	-	-	-	-	1,744
Deferred tax assets:							
Provisions	2,494	-	1,140	-	-	-	3,634
Transaction costs on equity issue	1,944	-	(452)	-	-	-	1,492
Losses	1,495	-	7,548	-	-	-	9,043
Other	2,849	-	(8,599)	-	-	(75)	(5,825)
Balance at 30 June 2012	8,782	-	(363)	-	-	(75)	8,344
Provisions	3,634	-	(3,600)	-	-	-	34
Transaction costs on equity issue	1,492	-	(1,492)	-	-	-	-
Losses	9,043	-	(8,954)	-	-	-	89
Other	(5,825)	-	5,894	-	-	-	69
Balance at 30 June 2013	8,344	-	(8,152)	-	-	-	192

The Company has estimated carry forward operating tax losses of $54,968,848 at June 2013 (2012: $48,213,920) which are not recognised. The ability to utilise the operating tax losses will be subject to satisfying relevant eligibility criteria for the recoupment of carry forward tax losses.

Note 21 – Provisions

	Consolidated Group					
	Long Service Leave Employee Benefits $000	Annual Leave Employee Benefits $000	Legal $000	Onerous Contract $000	Other $000	Total $000
OPENING BALANCE AT 1 JULY 2012	1,996	3,814	500	-	38	6,348
Additional provisions	357	3,764	2,147	1,705	2,094	10,067
Amounts used	(483)	(4,635)	(600)	-	-	(5,718)
BALANCE AT 30 JUNE 2013	**1,870**	**2,943**	**2,047**	**1,705**	**2,132**	**10,697**
Current	**1,043**	**2,943**	**2,047**	**426**	**2,132**	**8,591**
Non-current	**827**	**-**	**-**	**1,279**	**-**	**2,106**
	1,870	**2,943**	**2,047**	**1,705**	**2,132**	**10,697**

	Consolidated Group 2013 $000	Consolidated Group 2012 $000
Analysis of Total Provisions		
Current	**8,591**	4,352
Non-current	**2,106**	1,996
	10,697	6,348

(a) Significant provisions

Provision for long-term employee benefits

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.

Legal

There are a number of ongoing legal proceedings involving the Group at the reporting date. Provisions have been taken up for some of these exposures based on the Board's determination.

Onerous contracts

In the current financial year, the Group identified loss making contracts which are non-cancellable. The obligation for expected future losses has been provided for as at the reporting date.

Other Provisions

Other provisions relate to various categories including provisions for reorganisation costs and warranty costs.

Note 22 – Issued Capital

	Consolidated Group 2013 $000	Consolidated Group 2012 $000
310,891,432 (2012: 124,224,766) fully paid ordinary shares with no par value	**302,260**	275,342
	302,260	275,342

(a) Ordinary shares

	2013 No.	2012 No.
At beginning of reporting period	**124,224,766**	1,242,242,634
Shares issued during the year		
29 January 2013	**186,666,666**	-
Shares cancelled or consolidated during the year		
18 November 2011	**-**	(1,118,017,868)
At reporting date	**310,891,432**	124,224,766

At the Engenco Limited annual general meeting held 9 November 2011, shareholders approved the share consolidation whereby every ten (10) fully paid ordinary shares on issue were consolidated into one (1) fully paid ordinary share as at 18 November 2011. Where the consolidation resulted in a shareholder being entitled to a fraction of a share, the total shareholding was rounded up to the next whole number. All of these shares were eligible to participate in dividends from the date of issue.

On 12 December 2012 a renounceable 3 for 2 entitlement offer at 15c per share was announced. On 29 January 2013, 186,666,666 fully paid ordinary shares were issued pursuant to the pro-rata entitlement offer.

Ordinary shares are eligible to participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares on issue.

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.

(b) Options

At 30 June 2013 there were no options on issue (2012: 100,000). No options were exercised during this financial year. On 29 August 2012, 100,000 share options expired which were granted to Azure Capital on 29 February 2008. Further details on these options are contained in Note 26 – Share Based Payments.

Note 23 – Capital and Leasing Commitments

LEASES AS LESSEE	Note	Consolidated Group 2013 $000	Consolidated Group 2012 $000
(a) Finance Lease Commitments			
Payable - minimum lease payments:			
- not later than 12 months		**254**	342
- between 12 months and 5 years		**446**	-
- greater than 5 years		**-**	-
Minimum lease payments		**700**	342
Future finance charges		**(34)**	(7)
Present value of minimum lease payments	19	**666**	335
(b) Operating Lease Commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements			
Payable - minimum lease payments			
- not later than 12 months		**5,692**	6,609
- between 12 months and 5 years		**11,687**	13,807
- greater than 5 years		**3,268**	4,965
		20,647	25,381

The Group's finance lease commitments relate primarily to capitalised software licence fees. The leases typically run for a period of 3 years.

The Group also leases a number of sites under operating leases which include land and buildings for the purpose of operating its business. The leases typically run for a period of between 3 and 10 years, sometimes with an option to renew the leases after that date. None of the leases include contingent rentals.

During the year-ended 30 June 2013, $6,789,000 was recognised as an expense in the Statement of Comprehensive Income in respect of operating leases (2012: $7,504,000).

(c) Contractual Commitments

At 30 June 2013, the Group had not entered into any contractual commitments for the acquisition of property, plant and equipment and other intangible assets.

LEASES AS LESSOR	Consolidated Group 2013 $000	Consolidated Group 2012 $000
(d) Operating Lease Receivables		
Receivable - minimum lease payments		
- not later than 12 months	**12,838**	18,011
- between 12 months and 5 years	**13,719**	18,641
- greater than 5 years	**-**	-
	26,557	36,652

The Group leases out its fleet of rolling stock to customers. At the end of the reporting period, the future minimum lease payments under non-cancellable leases are receivable as shown above.

Note 24 – Operating Segments

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 CEO/Managing Director (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of service offerings since 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.

Types of Products and Services by Segment

The chief operating decision maker considers the business from a Business Line perspective and have identified six (6) reportable segments as follows:

(a) Drivetrain Power and Propulsion

Drivetrain Power and Propulsion is a provider of technical sales and services to the mining, oil & gas, rail, transport, defence, marine, construction, materials handling, automotive, agriculture, and power generation industries. A broad product and service offering includes engine and powertrain maintenance, repair and overhaul, new components and parts, fluid connector products, power generation design and construction, technical support, professional engineering and training services.

(b) Centre for Excellence in Rail Training (CERT)

CERT provides specialist rail training including the provision of competency based training, issuing of certificates of competency, rail incident investigation training, security (transit guard) training, first aid training, company inductions and course design and management of apprenticeship and trainee schemes to major infrastructure and rail clients throughout Australia.

(c) Convair Engineering (Convair)

Convair is a manufacturer of bulk pneumatic road tankers and mobile silos for the carriage and storage of construction materials, grains, and other dry bulk materials. Additional services include maintenance, repair and overhaul and provisioning of ancillary equipment and spare parts sales.

(d) Total Momentum

Total Momentum is a provider of personnel and project management services to freight rail and mining rail infrastructure managers. Services include professional recruitment, training and workforce solutions, including managing and provisioning track construction and maintenance projects.

(e) Gemco Rail

Gemco Rail specialises in the remanufacture and repair of locomotives, wagons, bearings and other rail products for rail operators and maintainers. Gemco provides wheel-set, bogie and in-field wagon maintenance and manufactures new and refurbished wagons, bogie component parts, customised remote controlled ballast car discharge gates, and a range of rail maintenance equipment and spares.

(f) Greentrains

Greentrains leases rolling stock to freight rail operators throughout Australia.

(g) All Other

This includes the parent entity and consolidation / elimination adjustments.

Note 24 - Operating Segments (cont'd)

Basis of Reporting by Operating Segments

(a) Basis of reporting

Unless stated otherwise, all amounts reported to the CEO/Managing Director as the chief operating decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

(b) Inter-segment transactions

An internal transfer price is set for all inter-segment sales. This price is set based on what 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.

(c) Segment assets

Unless indicated otherwise in the segment assets note, deferred tax assets have not been allocated to operating segments.

(d) Segment liabilities

Liabilities are allocated to segments where there is nexus between the incurrence of the liability and the operations of the segment. Unless indicated otherwise in the segment liabilities note, deferred tax liabilities have not been allocated to operating segments.

(e) Unallocated items

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

- Finance costs
- Impairment of goodwill and other intangibles
- Impairment of property, plant and equipment
- Deferred tax assets and liabilities
- Impairment of accounts receivable
- Impairment of inventory

Note 24 - Operating Segments (cont'd)

(i) Segment Performance

Year ended 30 June 2013

Primary Reporting Business Segments	Drivetrain Power & Propulsion	CERT	Convair	Total Momentum	Gemco Rail	Green-trains	All Other	Consol. Group
	$000	$000	$000	$000	$000	$000	$000	$000
REVENUE								
External sales	71,564	5,886	16,722	22,864	49,748	9,086	115	175,985
Inter-segment sales	391	79	-	2,060	4,316	-	-	6,846
Interest revenue	8	-	21	-	-	17	57	103
TOTAL SEGMENT REVENUE	71,963	5,965	16,743	24,924	54,064	9,103	172	182,934
Reconciliation of segment revenue to group revenue								
Inter-segment elimination							(6,846)	(6,846)
TOTAL GROUP REVENUE								176,088
SEGMENT EBITDA	5,237	764	2,238	1,826	(7,555)	5,814	(9,317)	(993)
Reconciliation of segment EBITDA								
Amounts not included in segment EBITDA but reviewed by Board:								
Depreciation and amortisation	(1,671)	(66)	(135)	(455)	(3,669)	(3,623)	(3,015)	(12,634)
Unallocated items:								
Impairment of property, plant and equipment								(20,350)
Impairment of intangibles								(43,275)
Impairment of inventory								(1,529)
Impairment of accounts receivable								(861)
Finance costs								(4,352)
NET PROFIT BEFORE TAX FROM CONTINUING OPERATIONS								(83,994)

Note 24 – Operating Segments (cont'd)

Year ended 30 June 2012

Primary Reporting Business Segments	Drivetrain Power & Propulsion $000	CERT $000	Convair $000	Total Momentum $000	Gemco Rail $000	Green-trains $000	All Other $000	Consol. Group $000
REVENUE								
External sales	93,394	5,227	18,722	19,927	51,369	9,832	378	198,849
Inter-segment sales	603	80	-	1,552	2,257	-	-	4,492
Interest revenue	24	3	1	-	47	62	211	348
TOTAL SEGMENT REVENUE	94,021	5,310	18,723	21,479	53,673	9,894	589	203,689
Reconciliation of segment revenue to group revenue								
Inter-segment elimination							(4,492)	(4,492)
TOTAL GROUP REVENUE								199,197
SEGMENT EBITDA	9,043	1,150	2,922	1,420	1,276	6,432	(7,102)	15,141
Reconciliation of segment EBITDA								
Amounts not included in segment EBITDA but reviewed by Board:								
Depreciation and amortisation	(1,789)	(54)	(94)	(459)	(2,240)	(3,663)	(2,707)	(11,006)
Unallocated items:								
Impairment of property, plant and equipment								(3,547)
Impairment of intangibles								(3,813)
Impairment of inventory								(19,871)
Impairment of accounts receivable								(3,959)
Finance costs								(5,553)
NET PROFIT BEFORE TAX FROM CONTINUING OPERATIONS								(32,608)

Note 24 - Operating Segments (cont'd)

(ii) Segment Assets

As at 30 June 2013

Primary Reporting Business Segments	Drivetrain Power & Propulsion	CERT	Convair	Total Momentum	Gemco Rail	Green-trains	All Other	Consol. Group
	$000	$000	$000	$000	$000	$000	$000	$000
ASSETS								
Segment assets (excl. capital expenditure, investments and intangibles)	**54,708**	**3,930**	**10,771**	**7,329**	**30,875**	**33,822**	**(4,983)**	**136,452**
Capital expenditure	**1,002**	**83**	**418**	**615**	**2,426**		**747**	**5,291**
Investments	**7**	**-**	**-**	**-**	**-**	**-**	**13**	**20**
Intangibles	**-**	**-**	**-**	**-**	**-**	**-**	**3,536**	**3,536**
Reconciliation of segment assets to Group assets								
Segment eliminations								**(4,262)**
Unallocated Items:								
Deferred tax assets								**192**
TOTAL ASSETS	**55,717**	**4,013**	**11,189**	**7,944**	**33,301**	**33,822**	**(687)**	**141,229**

As at 30 June 2012

Primary Reporting Business Segments	Drivetrain Power & Propulsion	CERT	Convair	Total Momentum	Gemco Rail	Green-trains	All Other	Consol. Group
	$000	$000	$000	$000	$000	$000	$000	$000
ASSETS								
Segment assets (excl. capital expenditure, investments and intangibles)	67,588	1,419	3,567	6,387	45,003	55,504	1,285	180,753
Capital expenditure	1,999	171	106	497	5,827	-	666	9,266
Investments	7	-	-	-	-	-	10	17
Intangibles	20,890	-	-	3,181	9,588	-	15,432	49,091
Reconciliation of segment assets to Group assets								
Segment eliminations								(5,063)
Unallocated Items:								
Deferred tax assets								8,344
TOTAL ASSETS	90,484	1,590	3,673	10,065	60,418	55,504	17,393	242,408

Note 24 - Operating Segments (cont'd)

(iii) Segment Liabilities

As at 30 June 2013

Primary Reporting Business Segments	Drivetrain Power & Propulsion	CERT	Convair	Total Momentum	Gemco Rail	Green-trains	All Other	Consol. Group
	$000	$000	$000	$000	$000	$000	$000	$000
LIABILITIES								
Segment liabilities	**74,323**	**1,266**	**3,138**	**6,588**	**91,785**	**27,719**	**(150,101)**	**54,718**
Reconciliation of segment liabilities to Group liabilities								
Segment eliminations								**(4,262)**
Unallocated Items:								
Deferred tax liabilities								**1,744**
TOTAL LIABILITIES	**74,323**	**1,266**	**3,138**	**6,588**	**91,785**	**27,719**	**(150,101)**	**52,200**

As at 30 June 2012

Primary Reporting Business Segments	Drivetrain Power & Propulsion	CERT	Convair	Total Momentum	Gemco Rail	Green-trains	All Other	Consol. Group
	$000	$000	$000	$000	$000	$000	$000	$000
LIABILITIES								
Segment liabilities	91,726	(436)	(2,434)	6,821	94,723	32,674	(129,140)	93,934
Reconciliation of segment liabilities to Group liabilities								
Segment eliminations								(5,063)
Unallocated Items:								
Deferred tax liabilities								1,744
TOTAL LIABILITIES	91,726	(436)	(2,434)	6,821	94,723	32,674	(129,140)	90,615

Note 24 - Operating Segments (cont'd)

(iv) Revenue by geographical region

	Consolidated Group 2013 $000	Consolidated Group 2012 $'000
Revenue attributable to external customers is disclosed below, based on the location of the external customer:		
Australasia	**160,813**	181,064
United States of America	**666**	1,028
Europe	**14,609**	17,105
TOTAL REVENUE	**176,088**	199,197

(v) Assets by geographical region

	Consolidated Group 2013 $000	Consolidated Group 2012 $000
The location of segment assets is disclosed below by geographical location of the assets:		
Australasia	**119,954**	213,758
United States of America	**1,909**	1,048
Europe	**19,366**	27,602
TOTAL ASSETS	**141,229**	242,408

(vi) Major customers

The Group has a large and diverse customer base. No individual customer has contributed in excess of 10% to overall Group revenue.

Note 25 – Cash Flow Information

(a) Reconciliation of cash at end of financial year

	Note	Consolidated Group 2013 $000	Consolidated Group 2012* $000
Cash and cash equivalents	10	5,028	3,759
Bank overdrafts	19	(837)	(5,940)
CASH (NET OF BANK OVERDRAFTS) AT END OF FINANCIAL YEAR		4,191	(2,181)

* The 2012 comparatives have been reclassified to account for net cash balance where the Group has a legal right of offset and the intention to settle on a net basis.

(b) Reconciliation of cash flow from operating activities with profit / loss after income tax

	Consolidated Group 2013 $000	Consolidated Group 2012 $000
PROFIT (LOSS) AFTER INCOME TAX	(91,515)	(35,599)
Adjustments for non-cash items:		
- Depreciation	9,811	8,524
- Other Intangibles amortisation	2,823	2,482
- Impairment of goodwill and other intangibles	43,275	3,813
- Impairment of property, plant and equipment	20,350	3,547
- Impairment of inventory	1,529	19,871
- Impairment of accounts receivable	861	3,959
- Net finance costs	4,249	5,205
- Income tax expense / (benefit)	7,521	2,991
- Gain on sale of property, plant and equipment	(108)	(124)
	(1,204)	14,669
- (Increase)/decrease in trade and other receivables	16,726	(2,348)
- (Increase)/decrease in prepayments	510	(575)
- (Increase)/decrease in inventories	4,002	(10,341)
- Increase/(decrease) in trade payables and accruals	(12,223)	4,980
- Increase/(decrease) in provisions	4,349	1,974
Cash generated from operating activities	12,160	8,359
- Net interest paid	(4,249)	(5,205)
- Income taxes paid	(1,676)	(4,012)
CASH FLOW FROM / (USED IN) OPERATIONS	6,235	(858)

Note 26 – Share Based Payments

No share-based payment arrangements existed at 30 June 2013 and no options were issued or exercised during the year ended 30 June 2013.

	2013		2012	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
Outstanding at the beginning of the year	**100,000**	**40.00**	3,000,000	3.50
Expired during the year	**(100,000)**	**40.00**	(1,100,000)	3.25
10:1 share consolidation	-	-	(1,800,000)	-
Outstanding at year-end	-	-	100,000	40.00
Exercisable at year-end	-	-	100,000	40.00

Note 27 – Net Tangible Assets

	2013 **Cents**	2012* Cents
Net tangible assets per ordinary share: (2013: 310,891,432 shares, 2012: 124,224,766 shares)	**28.2**	74.9

* Restated for exclusion of non-controlling interest from the net asset base and reclassification of software assets from property, plant and equipment to intangible assets.

Note 28 – Events Subsequent to Reporting Date

Dennis Quinn resigned as Chief Executive Officer on 12 July 2013 and Ross Dunning (Non-Executive Director at the reporting date) was appointed as Interim Managing Director on 15 July 2013.

Glenn Parrett resigned as Chief Executive Officer of Drivetrain on 26 August 2013 and Frank Gili has been appointed to lead the Drivetrain business.

The Commonwealth Bank of Australia (CBA) facility agreement was completed on 13 September 2013 and expires on 31 October 2014. The Elph Pty Ltd facility agreement has been extended to 30 September 2014.

Other than the above, there has not arisen, in the interval between the end of the financial year and the date of this report, any item, transaction or event which would have a material effect on the financial statements of the Group at 30 June 2013.

Note 29 – Related Party Transactions

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

(a) Transactions with subsidiaries

The following transactions occurred with related parties:

Related Party Transaction	2013 $000	2012 $000
Tax consolidation legislation:		
Current tax payable assumed from wholly-owned tax consolidated entities	-	1,234

(b) Other transactions

Management fees of $NIL (2012: $516,250) were paid to Elphinstone Pty Ltd for the services of Vincent De Santis who is a director of Elphinstone Pty Ltd. Dale Elphinstone is also Chairman of this entity.

Director fees of $254,000 (2012: $196,153) and travel expense reimbursements of $82,132 (2012: $127,937) were paid to Elphinstone Pty Ltd for the services of Dale Elphinstone (Chairman) and Vincent De Santis (Non-Executive Director).

Fees of $220,060 (2012: NIL) were paid to Elphinstone Pty Ltd for the services of consultants to Gemco Rail Pty Ltd.

Goods were purchased from William Adams Pty Ltd of $366,947 (2012: $34,570) during the year. Dale Elphinstone is the Chairman and Vincent De Santis is a director of this entity.

Director fees of $100,280 (2012: $100,280) were paid to Grassick SSG Pty Ltd for the services of Don Hector (Non-Executive Director).

Goods were purchased from United Equipment Pty Ltd of $60,840 (2012: $20,215) during the year. United Equipment is a related party of Engenco Limited.

(c) Outstanding balances arising from sales/purchases of goods and services

The Group has the following balances outstanding at the reporting date in relation to transactions with related parties:

Related Party Transaction	2013 $000	2012 $000
Current receivables (parent entity):		
Receivables from subsidiaries	177	161
Current payables:		
Payables to Elph Pty Ltd	(368)	-
Payables to Elphinstone Pty Ltd	(26)	(11)
Payables to William Adams Pty Ltd	(12)	(8)
Payables to United Equipment	(1)	-

Note 29 – Related Party Transactions (cont'd)

(d) Loans to/from related parties

Related Party Transaction	2013 $000	2012 $000
Loans to/from subsidiaries (parent entity):		
Loans to subsidiaries	**95,107**	163,941
Loans from subsidiaries	**(1,431)**	(1,675)
Loans to/from other related parties:		
Loans from Elph Pty Ltd	**(22,000)**	(22,000)

The intercompany loans extended from Engenco Limited to its wholly owned subsidiaries are extended on the following terms:

Term: Revolving Facility repayable when subsidiary is in a position to do so or as otherwise decided by the Company.
Rate: Fixed rate reviewable quarterly.

At the reporting date, the related party loan from Elph Pty Ltd to Greentrains Limited was extended on arms' length terms for up to $30 million maturing not earlier than July 2013. Subsequent to the reporting date, the facility agreement has been extended to 30 September 2014.

Note 30 – Financial Risk Management

The Group's financial instruments consist mainly of investments, accounts receivable and payable, loans from external and related parties and leases.

	Note	Consolidated Group 2013 $000	Consolidated Group 2012 $000
FINANCIAL ASSETS			
Cash and cash equivalents	10	**5,028**	3,759
Other assets	13	**20**	17
Trade and other receivables	11	**30,176**	47,763
		35,224	51,539
FINANCIAL LIABILITIES			
Financial liabilities at amortised cost:			
- Trade and other payables	18	**15,864**	30,278
- Borrowings	19	**23,895**	50,273
		39,759	80,551

i. Treasury Risk Management

Management, consisting of senior executives of the Group, discusses and monitors financial risk exposure and evaluates treasury management strategies in the context of current economic conditions and forecasts. Management's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Management operates under the supervision of members of the Board of Directors. Risk management transactions are approved by senior management personnel.

Note 30 – Financial Risk Management (cont'd)

ii. Financial Risk Exposures and Management

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

a. Interest Rate Risk

Exposure to interest rate risk arises on financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

Currently the Group's operations are financed using a mixture of fixed and floating debt. The Group is not currently entered into any interest rate swaps to fix its floating rate debt.

The variable interest rate borrowings exposes the Group to interest rate risk which will impact future cash flows and interest charges and is indicated by the following floating interest rate financial liabilities:

	Note	**Consolidated Group 2013 $000**	Consolidated Group 2012 $000
FLOATING RATE INSTRUMENTS			
Bank Overdrafts		**100**	4,402
Cash Advance Facility	19(c)	**-**	16,964
Drivetrain NAB Facility	19(c)	**-**	3,000
Swedish Loan Facility	19(c)	**215**	1,842
Swedish Overdraft Facility	19(c)	**737**	1,538
Greentrains Loan Facility	19(c)	**22,000**	22,000
Total		**23,052**	49,746

b. Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forecast cash flow analysis in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- managing credit risk related to financial assets; and
- monitoring the maturity profile of financial liabilities.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectations as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Note 30 – Financial Risk Management (cont'd)

Financial Liability Maturity Analysis

	Consolidated Group							
	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2013 $000	2012 $000	**2013 $000**	2012 $000	**2013 $000**	2012 $000	**2013 $000**	2012 $000
FINANCIAL LIABILITIES DUE FOR PAYMENT								
Bank overdrafts and loans	**23,229**	48,818	**-**	1,120	**-**	-	**23,229**	49,938
Trade and other payables (excluding estimated annual leave)	**15,864**	30,278	**-**	-	**-**	-	**15,864**	30,278
Finance lease liabilities	**239**	335	**427**	-	**-**	-	**666**	335
Total Expected Outflows	**39,332**	79,431	**427**	1,120	**-**	-	**39,759**	80,551

c. Foreign Exchange Risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

The majority of financial liabilities and assets of the Group are denominated in the functional currency of the operational location. These are primarily Australian Dollars and Swedish Krona.

d. Credit Risk

Exposure to credit risk relating to financial assets arises from potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such procedures include monitoring of exposures, payment cycles and monitoring of the financial stability of significant customers and counter parties) ensuring to the extent possible, that customers and counter parties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms differ between each key business but are generally 30 to 60 days.

Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counter party, then risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet.

On a geographical basis the Group has significant credit risk exposures in Australia given the substantial operations in this region. Details with respect of the credit risk of Trade and Other Receivables can be found in Note 11.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in Note 11.

Balances held with banks are with AA rated financial institutions, details of these holdings can be found in Note 10 – Cash and Cash Equivalents.

Note 30 – Financial Risk Management (cont'd)

iii. Net Fair Values

Fair Value Estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the Statement of Financial Position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Estimates, judgments and the associated assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices.

	Consolidated Group			
	2013 Net Carrying Value $000	**2013 Net Fair Value $000**	2012 Net Carrying Value $000	2012 Net Fair Value $000
FINANCIAL ASSETS				
Cash and cash equivalents	**5,028**	**5,028**	3,759	3,759
Trade and other receivables	**30,176**	**30,176**	47,763	47,763
Other assets	**20**	**20**	17	17
	35,224	**35,224**	51,539	51,539
FINANCIAL LIABILITIES				
Trade and other payables	**15,864**	**15,864**	30,278	30,278
Lease liability	**666**	**666**	335	335
Loans and borrowings	**23,229**	**23,229**	49,938	49,938
	39,759	**39,759**	80,551	80,551

The fair values disclosed in the above table have been determined based on the following methodologies:

- Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value.
- Loans and receivables have carrying values equivalent to fair value. The majority of these facilities have floating rates and those that are fixed are expected to be held to maturity and as such when discounted bear little resemblance to the carrying value.
- For other assets, closing quoted bid prices at reporting date are used where appropriate.

iv. Sensitivity Analysis

a. Interest Rate Risk and Foreign Currency Risk

The following table illustrates sensitivities to the Group's exposures to changes in interest rates and foreign currency exchange rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

Note 30 – Financial Risk Management (cont'd)

b. *Interest Rate Sensitivity Analysis*

At 30 June 2013, the effect on earnings and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated Group 2013 $000	Consolidated Group 2012 $000
CHANGE IN EARNINGS		
- Increase in interest rates by 100 basis points	(363)	(712)
- Decrease in interest rates by 100 basis points	363	712
CHANGE IN EQUITY		
- Increase in interest rates by 100 basis points	(363)	(712)
- Decrease in interest rates by 100 basis points	363	712

c. *Foreign Currency Risk Sensitivity Analysis*

At 30 June 2013, the effect on earnings and equity as a result of changes in the value of the Australian Dollar to the Swedish Krona, with all other variables remaining constant is as follows:

	2013 $000	2012 $000
CHANGE IN EARNINGS		
- Improvement in AUD to SEK by 5%	(193)	(188)
- Decline in AUD to SEK by 5%	193	188
CHANGE IN EQUITY		
- Improvement in AUD to SEK by 5%	(1,198)	(946)
- Decline in AUD to SEK by 5%	1,198	946

The Group does not currently hedge against foreign exchange movements in net assets of its Swedish subsidiaries.

v. Capital Management

Management monitors the capital of the Consolidated Group in an effort to maintain an appropriate debt to equity ratio, provide the shareholders with adequate returns and ensure that the Consolidated Group can fund its operations and continue as a going concern.

The Consolidated Group's debt and capital includes ordinary shares and financial liabilities. The gearing ratios as at 30 June 2013 and 2012 are as follows:

	2013 $000	2012 $000
Total Borrowings	23,895	50,273
Net Debt	18,867	46,514
Total Equity	89,029	151,793
TOTAL EQUITY AND NET DEBT	107,896	198,307
GEARING RATIO	21%	31%

The gearing ratio has decreased in the year largely due to the capital raised from the share entitlement offer during the current year being used to repay of portion of the debt.

Note 31 – Reserves

(a) Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of overseas subsidiaries.

(b) Option reserve

The option reserve records items recognised as expenses on valuation of employee share options.

Note 32 – Contingent Liabilities

Gemco Rail Pty Ltd (a subsidiary of Engenco Limited) has a contingent liability relating to a property lease whereby, if the lease is not surrendered during the following financial year, there may be a contractual obligation to incur capital expenditure on leasehold improvements estimated to be $1,300,000.

There are a number of legal claims and exposures which arise from the ordinary course of business. There is significant uncertainty as to whether a future liability will arise in respect to these items. The amount of the liability, if any, which may arise cannot be reliably measured at the reporting date.

The Group has arranged for its bankers to guarantee its performance to third parties. The maximum amount of these guarantees at 30 June 2013 is $3,376,100 (2012: $3,240,000).

Shareholder Information

Additional Information for Listed Companies at 4 September 2013

The following information is provided in accordance with the ASX Listing Rules.

1. Shareholding

(a) Distribution of shareholders

Category (size of holding)	No. of shareholders	%	No. Ordinary Shares
1 – 1,000	572	0.07	226,525
1,001 – 5,000	402	0.34	1,066,053
5,001 – 10,000	180	0.45	1,405,732
10,001 – 100,000	381	4.21	13,097,228
100,001 – and over	111	94.93	295,095,894
	1,646	100.00	310,891,432

(b) The number of shareholdings held in less than marketable parcels (less than $500 in value) is 847.

(c) 20 largest shareholders – ordinary shares

Position	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	Elph Investments Pty Ltd	108,981,588	35.05%
2	Elph Pty Ltd	93,267,430	30.00%
3	National Nominees Limited	19,366,456	6.23%
4	UBS Nominees Pty Limited	16,069,684	5,17%
5	Thorney Holdings Pty Ltd	10,085,674	3.24%
6	RAC & JD Brice Superannuation Ltd	8,593,260	2.76%
7	Equity Trustees Limited	3,630,727	1.17%
8	Mr Clarence John Kelly, & Mrs Robyn Suzanne Kelly	3,255,000	1.05%
9	Mr Neville Leslie Esler, & Mrs Cheryl Anne Esler	2,396,925	0.77%
10	Marford Group Pty Ltd	2,243,680	0.72%
11	Mr Dennis Graham Austin, & Mrs Marilyn Alice Austin	1,502,540	0.48%
12	UBS Wealth Management Australia Nominees Pty Ltd	1,427,668	0.46%
13	T B I C Pty	1,000,000	0.32%
14	Mr Bruce Ballantine Teele, & Mrs Helen Patricia Teele	980,996	0.32%
15	Shymea Pty Ltd	900,000	0.29%
16	Neko Super Pty Ltd	850,000	0.27%
17	CFF Pty Ltd	758,619	0.24%
18	Mr Hugh William Maguire, & Mrs Susan Anne Maguire	700,000	0.23%
19	Simzam Nominees Pty Ltd	551,390	0.18%
20	Mr Benjamin Pinwill, & Mrs Carly Esler	501,703	0.16%
	Totals	277,063,340	89.12%

(d) Shareholders holding in excess of 10% of issued capital were listed in the holding company's register as follows:

Shareholder	No. Ordinary Shares	%
Elph Investments Pty Ltd	108,981,588	35.05%
Elph Pty Ltd	93,267,430	30.00%

Shareholder Information (cont'd)

(e) Voting Rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

2. The name of the Company Secretaries are:

Anna Bagley

Josephine Tan

Kevin Pallas

3. The address of the principal registered office in Australia is:

Level 22, 535 Bourke Street, Melbourne, VIC 3000

4. Registers of securities are held at the following addresses:

770 Canning Highway, Applecross, WA 6153

5. Securities Exchange Listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the ASX Limited.

6. Unquoted Securities

N/A.

7. Other Disclosures

There were no restricted securities at this date.

Corporate Directory

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FAICD
Non-Executive Chairman

Vincent De Santis
BCom LLB (Hons)
Non-Executive Director

Donald Hector
BE(Chem), PhD, FAICD, FIEAust, FIChemE
Non-Executive Director

Ross Dunning AC
BE(Hons), BCom, FCILT, FAIM, FIEAust, FIRSE, MAICD
Interim Managing Director

Company Secretary

Anna Bagley
BSc, LLB (Hons), GCInfTech, LLM

Josephine Tan
B.Mus, LLB (Hons)

Kevin Pallas
BCom

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