CVC Limited
Annual Report 2013

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“Strength lies in differences . . .






. . . not in similarities”

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Company Particulars

CVC Limited ABN 34 002 700 361 AFSL 239665

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2013

Contents

Registered Office

Level 42, 259 George Street
Sydney NSW 2000

Directors

- Vanda Gould
- John Read
- John Leaver
- Alexander Beard

Management Team

- Vanda Gould
- Christine Shean
- Elliott Kaplan
- William Highland
- Jo Hume
- Ivy Liao
- Charles Williams
- John Leaver
- Alexander Beard
- John Hunter
- Michael Bower
- Mark Avery
- Joanna Jiang
- Louise Macklin

Secretaries

- Alexander Beard
- John Hunter

Bankers

Suncorp-Metway Limited
Westpac Banking Corporation Limited

Auditors

HLB Mann Judd Chartered Accountants
Level 19, 207 Kent Street
Sydney NSW 2000

Share Registry

Gould Ralph Pty Limited
Level 42, 259 George Street
Sydney NSW 2000

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The Year in Review
1st July 2012 – 30 June 2013

Overview

2013 SAW BOTH A SOLID OPERATING PROFIT AND INCREASED DEVELOPMENT OF A PLATFORM FOR MEDIUM TERM INVESTMENT PERFORMANCE, IN PARTICULAR THROUGH THE INCREASED OWNERSHIP OF GREEN'S FOODS HOLDINGS PTY LIMITED, AND INCREASED HOLDINGS IN VILLA WORLD LIMITED (ASX: VLW), BURU ENERGY LIMITED (ASX: BRU) AND BIONOMICS LIMITED (ASX: BNO). AS ENVISAGED THE YEAR SAW GREATER PARTICIPATION IN RESIDENTIAL PROPERTY FINANCING, THE CONTINUED DEVELOPMENT OF OUR KEY INVESTEE COMPANIES, AND THE CONTINUATION OF THE SHARE BUY-BACK.

HIGHLIGHTS OF THE YEAR INCLUDE:

> Increased ownership of Green's Foods Holdings Pty Limited arising from the exit of the previous largest shareholder Guinness Peat Group Plc (ASX: GPG). CVC increased its ownership from 27.5% to 43.5% and the business has continued to deliver strong operating performance as well has acquiring another complimentary business during the year.

> Participation in the developments of residential properties in Marsden Park, New South Wales and Rockhampton, Queensland which is expected to deliver strong results over the next 2 – 3 years.

> Continued strong performance of Ron Finemore Transport Pty Limited.

> Concise Asset Management Limited increasing its Funds Under Management in excess of $1 billion.

> Investment in online retail company DealsDirect Group Pty Limited.

> Sale of core business of Mnet Limited (ASX: MNZ) and return of capital. Subsequent to the end of the financial year a business opportunity was identified as a potential acquisition.

> Fully franked dividend of 2 cents per share paid on March 7, 2013 and 3 cents per share paid on September 7, 2012 and a fully franked dividend of 3 cents per share paid on September 17, 2013.

> Net tangible assets per share increased by $0.12 during the financial year to $1.42, which when combined with the $0.05 cent fully franked dividend represents a 13% return to shareholders.

> Buy-back of an additional 914,883 CVC shares at an average price of $0.96, being a substantial discount to Net Tangible Asset backing.

> Continued review of and submission of term sheets to potential new investment opportunities.

> Increased investment in Villa World Limited to 22% via direct acquisitions and as a result of the share buy-back.

> Increased investment in Bionomics Limited to approximately 4%.

> Cellnet Group Limited (ASX: CLT) and Battery Energy Power Solutions Pty Limited both recorded sound profits for the period ended 30 June 2013 and will continue to be a source of returns for CVC over the longer term.

Management Team

CVC has retained the core of its management team for more than 10 years, which allows for the development of deep understanding of the strengths of each individual and the ability to harness those collective strengths. During the year the team worked effectively in all facets of the investment cycle, including realisation of investments, improved operating performance, new investment, business development and business rationalisation.

Considerable focus has been made in strengthening CVC's property and property financing expertise and this was a source of significant activity during the year.

Management's daily interaction with investee companies continues to introduce us to new investment opportunities and managers who will likely play a key role in the future development of CVC.

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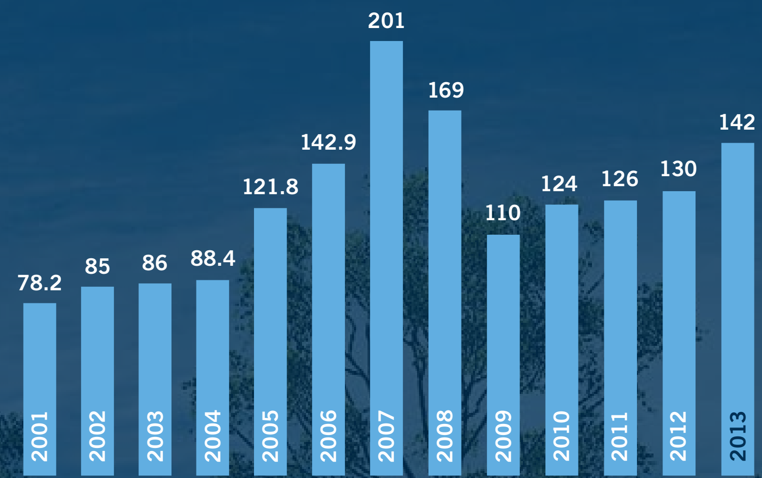

Nets Assets Per Share (cents)

Group Summary

	2013	2012
Earnings per Share	7.62 cents	7.40 cents
Total Assets Employed	$250.3 M	$225.0 M
Shareholders Equity	$172.0 M	$158.7 M
Return on Shareholders Equity*	13%	7%
Shares on Issue at Year End	121,421,485	122,336,368
Net Assets per Share Attributable to Shareholders	$1.42	$1.30
Dividends per Share	5.0 cents	5.0 cents

*Includes movements in reserves and profit or loss for the year.

The Year in Review
1st July 2012 – 30 June 2013

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SKILLS OF THE MANAGEMENT TEAM INCLUDE:

> Sourcing, selection, and structuring of investment opportunities;

> Operational management of investee companies, including strategy and corporate advisory, board positions on investee companies including Chairmanship where appropriate;

> Corporate advisory skills, including under-writing of placements and general offers;

> Divestments, including trade sales, demergers, initial public offerings, mergers and acquisitions, management buyouts and financial restructuring;

> Infrastructure investment capabilities, including financial feasibility, negotiation of off-take agreements, negotiation of senior and mezzanine debt facilities and sourcing of equity;

> Distressed debt recoveries and investment turn-arounds;

> Project financing and property development capabilities, including structuring, joint ventures, feasibility and mezzanine financing;

> Financial product development and distribution;

> Availability and access to government grants;

> Advice/implementation of internal control procedures, management information systems, monthly reporting procedures and statutory reports;

> Development of distribution networks, licensing of technology, patent and advice on portfolio/intellectual property protection, and export market penetration;

> Specialist investment skills in environmental industries, with a depth of expertise in low emission and cleaner technologies; and

> Long term investment performance.

Approach

CVC's investment portfolio is structured for a balance of capital growth and income producing assets. The asset mix has historically included, and will continue to include, private equity investments, a core portfolio of ASX-listed securities managed for a return, mezzanine funding for property backed investments including direct property holdings, strategic long-term investments (both listed and unlisted) that are largely equity accounted, income producing finance activities and funds management initiatives.

The inherent nature of private equity investment is that the opportunity to realise substantial returns is accompanied by factors largely beyond the control of the investment manager, including volatility in listed markets, the strength of the economy and negotiations between buyers and sellers.

CVC adopts a value based methodology in its investment selections, including an analysis of company fundamentals, including low price earnings multiples, earnings growth, relativity of price to net tangible assets, multiples of free cash flow, dividend history, competitive market positioning and arbitrage opportunities. In all investments assessed, CVC looks for an ability to add value to the investment to maximise potential investment returns, (i.e. through restructuring an under-performing company or obtaining development approvals or new tenants for a real estate transaction or in an ability to assist with synergistic business acquisitions in small emerging companies).

Most importantly, CVC is focussed on the integrity and competence of investee management teams, with our analysis of new investment opportunities involving an assessment of the track record and potential of the individuals within a targeted company, existing corporate governance measures and internal operational and financial controls in place.

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Sound investment decisions require a thorough methodology and the time necessary to identify, target, negotiate, conduct due diligence and structure a potential investment opportunity. CVC adopts a timely, yet patient, approach to these initial phases, as well as the subsequent development of the business and the realisation phase of the investment lifecycle (with investment exits often made by way of a trade sale, initial public offering or on-market sell down).

Dividend Policy

During the year, CVC paid a fully franked dividend of 2 cents per share on March 7, 2013 and 3 cents per share on September 7, 2012. Our continued emphasis on developing recurring profit streams reflects our objective to pay dividends into the future. Subject to available franking credits, dividends are expected to be 100% franked.

Capital Management

CVC will continue to periodically purchase shares under its share buy-back scheme, dependent on price. Historically the buy-back scheme has enabled a better matching of assets with recurrent earnings and has achieved accretion in both net tangible assets and earnings per share. Throughout the 2013 financial year 914,883 shares were purchased under the company's buy-back.

Corporate Governance

CVC continues to review its corporate governance initiatives in accordance with the Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council on an on-going basis. Further information on CVC's corporate governance is provided in the corporate governance statement.

Outlook and Growth

CVC expects to be able to capitalise on its strong financial position and an improved economic outlook to continue to develop relevant portfolio investments, undertake quality new investments and the potential to pursue a stock exchange listing for some existing investments. The quality of investments under active consideration by CVC has improved significantly, and with cash holdings at 30 June 2013 of $27.6 million, the Group is well placed to capitalise on these opportunities during 2014.

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The Year in Review
1st July 2012 – 30 June 2013

THE 2014 YEAR WILL LIKELY SEE THE FOLLOWING DEVELOPMENTS:

Property

2014 will see CVC continue to finance a number of residential and industrial developments largely secured by first mortgage security and in addition:

> Seek to realise a number of its direct property investments and redirect the proceeds into higher yielding investment opportunities;

> Continue to progress the development of the Rockhampton and Marsden Park properties;

> Continue to provide mezzanine finance to appropriate projects and developers at rates of return and terms consistent with those achieved during 2013.

Private Equity / Venture Capital

2014 will see the:

> Expansion of Ron Finemore Transport Pty Limited and its transport activities;

> Continued development of Green's Foods Holdings Pty Limited and its food processing activities;

> Identify new investment opportunities that meet CVC's investment criteria and realise investments within the portfolio, as appropriate;

> Undertake "bridging" finance and other high yielding alternative investment opportunities; and

> Invest in pre-IPO companies with sound fundamentals and work with them to achieve a market listing.

Listed Investments

2014 will see the:

> Continued strategic holdings in Cellnet Group Limited, Villa World Limited, Buru Energy Limited, Bionomics Limited, Vita Life Sciences Limited and Cyclopharm Limited. CVC will derive income from these strategic listed investments, including dividend income, equity accounted income, and where appropriate profits from realisations, directors and advisory fees and underwriting fees;

> Active management of key strategic investments via assistance with both acquisitive and organic growth and operational and financial restructuring, where appropriate; and

> Identification of other strategic investments in which CVC can acquire significant and meaningful stakes to complement existing major holdings and contribute a source of dividends and capital growth.

Funds Management

> Continue to look to restructure CVC Property Fund (ASX:CJT) as a valid investment vehicle;

> Continue to support Australian Mid-Cap Equities Manager, Concise Asset Management Limited which continues to perform above expectations in building Funds Under Management; and

> Evaluate other opportunities to invest in new or established specialist fund managers who are seeking the opportunity to expand or develop their business.

Major Investments

Bionomics Limited	4.0%
Cellnet Group Limited	53.0%
Cyclopharm Limited	19.4%
Green's Foods Holdings Pty Limited	43.5%
Resource Generation Limited	4.0%
Ron Finemore Transport Pty Limited	50.0%
Villa World Limited	22.0%
Vita Life Sciences Limited	9.9%
Buru Energy Limited	1.7%

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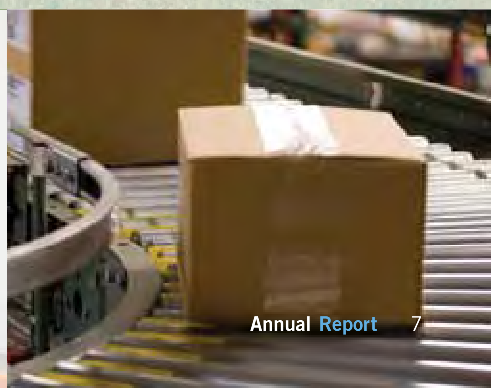
2013

Financial Report
for the year ended 30 June 2013



Director's Report
for the year ended 30 June 2013

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Your Directors present the Financial Report of CVC Limited (the "Company") and its controlled entities ("CVC"), for the year ended 30 June 2013 together with the Auditors' Report thereon.

Directors

The names of Directors in office throughout the financial year and to the date of this report are Vanda Russell Gould (Chairman), John Scott Leaver, John Douglas Read and Alexander Damien Harry Beard. The names of Company Secretaries in office throughout the financial year and to the date of this report are Mr Alexander Damien Harry Beard and Mr John Andrew Hunter. Details of qualifications, experience and special responsibilities of Directors are as follows:

Vanda Russell Gould (Chairman)
B.Com (Uni. of NSW), M.Com (Uni. of NSW)

Fellow of the Institute of Chartered Accountants in Australia; Fellow of the CPA Australia; Fellow of the Australian Institute of Management; Australian Financial Services Licence holder.

Board member from 1984 – 1994 and from 1996 to date. Member of the audit committee.

Prior to his involvement in the founding of the Company, Mr Gould was a partner of an accounting firm. He has held numerous directorships of other private and public companies including educational establishments.

During the past three years Mr Gould has also served as a Director of Cyclopharm Limited, Vita Life Sciences Limited and CVC Property Managers Limited as Responsible Entity for CVC Property Fund.

John Scott Leaver (Non-Executive Director)
B.Ec. (Uni. of Sydney)

Australian Financial Services Licence holder.

Board member since 1984 and Managing Director of the Company until 2001.

Prior to his involvement in the founding of the Company, Mr Leaver had extensive experience in the stockbroking industry.

John Douglas Read (Non-Executive Director)
B.Sc. (Hons) (Cant.), M.B.A. (A.G.S.M.)

Fellow of the Australian Institute of Company Directors.

Board member since 1989 and Chairman of the audit committee of the Company.

Mr Read has over 25 years experience in the venture capital industry. He is a former Director of CSIRO and the Australian Institute for Commercialisation Limited.

During the past three years Mr Read has also served as Director of Patrys Limited and The Environmental Group Limited.

Alexander Damien Harry Beard (Director and Company Secretary)
B.Com. (Uni. of NSW)

Fellow of the Institute of Chartered Accountants in Australia; Member of Australian Institute of Company Directors.

Board member since 2000 and Chief Executive Officer since 2001. Member of the audit committee.

Mr Beard has been employed by the manager of the Company since 1991.

During the past three years Mr Beard has also served as Chairman of Cellnet Group Limited and Villa World Limited and Director of the following other listed companies: Villa World Limited, Mnemon Limited (formerly Mnet Group Limited), Lonestar Resources Limited (formerly Amadeus Energy Limited), Cyclopharm Limited, and CVC Property Managers Limited as Responsible Entity for CVC Property Fund.

Company Secretaries

John Andrew Hunter
B.Com. (ANU), M.B.A. (MGSM)

Member of the Institute of Chartered Accountants in Australia.

In addition to being a Director of the Company, Alexander Damien Harry Beard is also a Company Secretary of the Company.

Directors' Meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year were:

	Directors' Meetings No. of meetings attended	No. of meetings eligible to attend
Vanda Russell Gould	4	4
John Scott Leaver	3	4
John Douglas Read	4	4
Alexander Damien Harry Beard	4	4

The Company has an audit committee. The number of meetings and the number of meetings attended by each of the Directors on the audit committee during the financial year were:

	Audit Committee Meetings No. of meetings attended	No. of meetings eligible to attend
John Douglas Read	2	2
Alexander Damien Harry Beard	1	2
Vanda Russell Gould	2	2

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Directors' Interests

The relevant interest of each Director in the share capital of the Company as at the date of this report is as follows:

	Ordinary Shares
Mr V.R. Gould	21,728,922
Mr J.S. Leaver	22,525,111
Mr J.D. Read	528,956
Mr A.D.H. Beard	1,381,136

Overview of Activities

The sections below provide details on the results, dividends, activities, operations, changes in state of affairs and expectations for the future.

Consolidated Results

The financial performance for the 2013 financial year is as follows:

- Profit before tax of $12.1 million (2012: $12.3 million);
- Net profit after tax of $11.1 million (2012: $9.4 million);
- Earnings per share of 8 cents (2012: 7 cents);
- Increase in Net Tangible Assets per share of 12 cents (2012: 4 cents), following dividends per share totalling 5 cents (2012: 5 cents) paid during the year representing a return on net worth to shareholders of 13% (2012: 7%); and
- Net increase in value of investments through reserves of $10.7 million (2012: $0.9 million).

The consolidated profit for the year attributable to the members of the Company is calculated as follows:

	2013 $	2012 $
Net profit after income tax	**11,079,448**	9,396,637
Non-controlling interests	**(1,789,312)**	(263,527)
Net profit after income tax attributable to members	**9,290,136**	9,133,110

Dividends

A final dividend in respect of the year ended 30 June 2013 of 3 cents per share was declared on 30 August 2013 to be paid on 17 September 2013 to those shareholders registered on 10 September 2013. An interim dividend of 2 cents per share amounting to $2,437,360 was paid on 7 March 2013.

A final dividend in respect of the year ended 30 June 2012 of 3 cents per share amounting to $3,669,197 was paid on 7 September 2012. An interim dividend of 2 cents per share amounting to $2,462,398 was paid on 1 March 2012.

Principal Activities

The principal activities of entities within CVC during the year were:

- the provision of investment, development and venture capital;
- property finance and development;
- investment in listed entities; and
- funds management.

Review of Operations

Highlights for the year of the main operating segments are as follows:

CVC has cash holdings of $28 million (equivalent to 22.7 cents per share) and is well placed to pursue investment opportunities as and when they emerge.

Listed Investments:

The contribution to comprehensive income included a loss of $4.6 million (2012: loss of $0.4 million) and revaluation of investments through reserves to market value of $10.7 million (2012: $0.9 million).

The loss for the year was directly attributed to the impairment of investments to market value, which amounted to $9.5 million (2012: $10.5 million) including impairment of ASX listed related entities, to reflect the prevailing share price. This included impairment charges in relation to:

- Buru Energy Limited of $3.9 million (share price of $1.215);
- Resource Generation Limited of $1.0 million (share price of $0.195);
- Lonestar Resources Limited of $0.9 million (share price of $0.14); and
- Kea Petroleum Plc of $1.2 million (share price of AUD$0.068).

Since year end the total value of these investments have increased by $4.2 million.

Distributions received from various investments during the financial year amounted to $0.7 million (2012: $2.2 million).

Comprehensive income includes the revaluation of listed investments through reserves of $10.7 million (2012: $0.9 million) including Villa World Limited of $4.8 million and Vita Life Sciences Limited of $5.0 million.

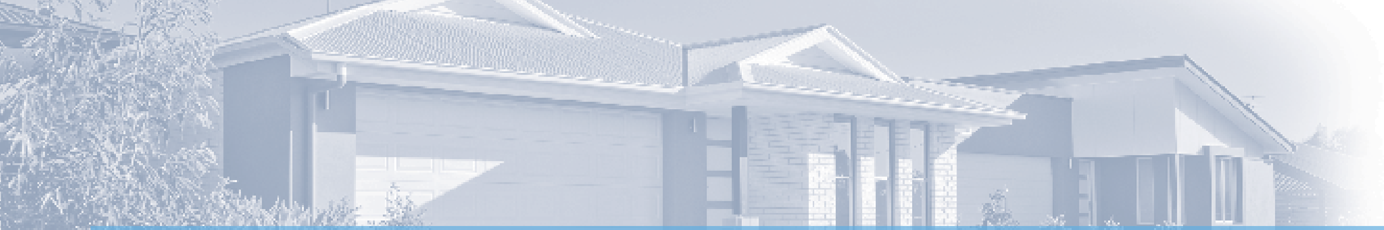
Private Equity:

The contribution to comprehensive income was $7.6 million (2012: $4.0 million). This includes an impairment recovery of $5.7 million arising from a restructure of Green's Foods Pty Limited arising from the exit by the largest shareholder during the period. The exit provided a market valuation of the holding and also provided the catalyst for CVC to increase its holding to 43.5%. Green's Foods is a food business focused on a strategic growth plan. Green's Foods continues to focus on both organic and acquisitive growth of operations including the acquisition of Waterwheel, a manufacturer of premium baked snack food products under the Waterthins, Waterwheel and Roccas brands.

In addition to the result generated from Green's Foods, Ron Finemore Transport Pty Limited continues to generate solid results in the face of a tough economic environment.

Property:

Property contributed $5.9 million (2012: $6.3 million) to comprehensive income which included interest related income



Director's Report
for the year ended 30 June 2013

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Review of Operations (Cont.)

generated from the provision of mezzanine funding of $7.3 million (2012: $8.6 million) and net rental income after interest related expense of $1.5 million (2012: $2.6 million). Although interest generated on mezzanine loans has fallen compared to last year the security and risk profile of mezzanine loans continues to improve. This is a factor of the tight lending policies imposed by major financial institutions on property developments and the increasing opportunities available.

The segment has seen a reduction in fair value adjustments in relation to directly held property assets with impairments of $2.3 million (2012: $6.3 million) during the year.

The return profile of the property segment has evolved during the year from generating a net rental return and interest income to participating directly in the profit of various projects. This is expected to increase the life of project returns. Projects in which CVC has a direct participation includes residential property developments in Rockhampton Queensland and Marsden Park New South Wales.

Funds Management:

The contribution to comprehensive income of this segment was $1.2 million (2012: $0.2 million) which includes an impairment reversal in relation to the carrying value of a loan amounting to $0.9 million. Over the longer term Concise Asset Management Limited (Mid Cap Australian Equities Specialist) is expected to provide a significant contribution as it continues to grow funds under management with in excess of $1 billion currently under management.

Controlled Investees:

The 2013 year represents the first full year that this segment has contributed to the comprehensive income of CVC generating $4.0 million (2012: loss $0.5 million). In accordance with accounting standards both Cellnet Group Limited and Battery Energy Power Solutions Pty Limited are required to be consolidated in the accounts of CVC. Both companies have been experiencing growth in sales in their core markets while at the same time both have been rationalising costs to ensure that their respective operations have the appropriate cost structure for the industries in which they operate. CVC expects that both companies will continue to be a source of returns for CVC over the longer term.

State of Affairs

There were no significant changes in the state of affairs of the Company that occurred during the year not otherwise disclosed in this report or the financial statements.

Likely Developments

As explained in previous reports, the total level of profit for any period, notwithstanding the recurrent earnings, is largely determined by the timing of the realisation of investments that result in capital gains. The Company believes the strong financial position and continual evaluation of investment opportunities by its management team will enable the identification and execution of suitable investment opportunities during the course of the year.

Environmental Regulation

CVC's operations are not subject to environmental regulations.

Events Subsequent to Balance Date

A final dividend in respect of the year ended 30 June 2013 of 3 cents per share was declared on 30 August 2013 to be paid on 17 September 2013 to those shareholders registered on 10 September 2013.

The value of listed investments in which CVC holds a significant interest are subject to daily price movements both positive and negative. Subsequent to balance date, and to the date of this report, the value of listed investments in which CVC holds a significant interest have increased by more than the ASX All Ordinaries Index for the equivalent period.

Other than as set out above, there are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of CVC, the results of those operations or the state of affairs of CVC in future financial years.

Share Options

There were no options issued by the Company during the year or to the date of this report. Subsidiaries of the Company which have option plans include CVC Private Equity Limited and Cellnet Group Limited.

a) CVC Private Equity Limited

Options issued over shares of CVC Private Equity Limited, a controlled entity of CVC are granted under its Option Plan. Under the plan, participants are granted options which are exercisable after the expiration of 3 years. There are no performance conditions attached to the options, and participation in the plan is at the Board of CVC Private Equity Limited's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Options granted carry no dividend or voting rights or rights to participate in any other share issue of CVC Private Equity Limited or any other entity. When exercisable, each option is convertible into one ordinary share.

ADH Beard	Share Options
Balance at start of the year	-
Options issued	1,200,000
Balance at the end of the year	1,200,000
Vested	1,200,000

b) Cellnet Group Limited

Options issued over shares of Cellnet Group Limited, a controlled entity of CVC are granted under its Executive share option plan. Under the plan, participants are granted options on terms at the discretion of its own directors. The directors of the Company have not participated in the Executive share option plan of Cellnet Group Limited.

Details of the Cellnet Group Limited Executive share option plan are disclosed in note 30.3 of the financial report.

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Indemnification and Insurance of Officers and Auditors

a) Indemnification

CVC has not, during or since the end of the financial year, indemnified or made any relevant agreement for indemnifying any person who is or has been an officer or auditor of CVC or a related body corporate against a liability, including costs and expenses in successfully defending legal proceedings.

b) Insurance Premiums

CVC has not, during the year or since the end of the financial year, paid or agreed to pay a premium for insuring any person who is or has been an auditor of the Company or a related body corporate for the costs or expenses of defending legal proceedings.

The Company has paid insurance premiums in respect of Directors' and Officers' liability and legal expense insurance for Directors and Officers of the Company.

In accordance with s. 300(9) of the Corporations Act 2001 further details have not been disclosed due to confidentiality provisions contained in the insurance contract.

Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for Directors and Executives of the Company and its 100% owned entities. For clarity it excludes the remuneration of director's arrangements of Cellnet Group Limited, CVC Private Equity Limited and Battery Energy Power Solutions Pty Limited.

Remuneration philosophy

The performance of CVC depends upon its ability to attract and retain quality people. CVC is committed to developing a remuneration philosophy of paying sufficient competitive 'base' rewards to attract and retain high calibre management personnel and providing the opportunity to receive superior remuneration tied directly to the creation of value for shareholders.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive Director and executive remuneration is separate and distinct.

Non-executive Director's remuneration is solely in the form of fees and has been set by shareholders at a maximum aggregate amount of $550,000, to be allocated amongst the Directors as they see fit. It has been set to balance the need to attract and retain Directors of the highest calibre at a cost that is acceptable to shareholders.

Key management personnel remuneration consists of: base salary, fees, superannuation contributions, short term performance bonuses and participation in the CVC Executive Long Term Incentive Plan.

The Company does not have a remuneration committee. The remuneration of the Chief Executive Officer, Mr Beard, is proposed by the Chairman and is determined following discussion with the non-executive Directors.

Short term performance bonuses permit CVC to reward individuals for superior personal performance or contribution towards components of CVC's performance for which they have direct responsibility.

The objectives of the CVC Executive Long Term Incentive Plan are to directly align the opportunity to achieve superior employment rewards with the wealth generated for shareholders whilst providing a mechanism to retain key employees over the longer term. In general terms, under the plan:

- key employees are invited by the Directors to acquire shares in the Company subject to certain conditions;
- the conditions specify performance hurdles and time periods in which they are required to be achieved;
- all shares issued under the plan to date cover a three year period and require that the total return to shareholders over the three year period exceeds the rate of growth over the same period for the S&P/ASX Small Ordinaries Accumulation Index;
- shares are issued at market value and the Company provides a loan to the participant to cover the cost of the shares;
- interest is charged on the loan equivalent to dividends paid on the shares;
- the shares are restricted and cannot be dealt with by the participant during the period;
- shares are forfeited and the loans are cancelled if the performance hurdles have not been met or the share price at the end of the period is below the issue price;
- if shares are not forfeited, at the end of the period the participant is required to repay the loan, the restrictions on the shares are removed and the shares are taken out of the plan; and
- a maximum of 5 million shares can be issued under the plan.

CVC has not currently issued any shares under the CVC Executive Long Term Incentive Plan.

Individual remuneration disclosures

The remuneration paid by the Company during the financial year is Directors' fees paid to Messrs Gould, Leaver and Read.

Director's Report
for the year ended 30 June 2013

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Remuneration Report (Audited) (Cont.)

Remuneration of key management personnel

The only key management personnel of the Company are the Directors.

Remuneration of Directors for the year ended 30 June 2013

		Short-term employee benefits Base Salary Fees $	STI Bonus (b) $	Post – employ't benefits Super'n $	Other $	Share-based payments (c) $	Total $	Base % (a)
ADH Beard	**2013**	**321,783**	**99,000**	**25,000**	**36,386**	**7,200**	**489,369**	**78%**
(Director)	2012	278,858	45,000	25,000	37,833	-	386,691	88%
VR Gould								
(Chairperson and	**2013**	**330,000**	**-**	**25,000**	**16,562**	**-**	**371,562**	**100%**
Executive Director)	2012	300,000	-	27,000	16,147	-	343,147	100%
JS Leaver	**2013**	**330,000**	**-**	**25,000**	**16,562**	**-**	**371,562**	**100%**
(Executive Director)	2012	300,000	-	27,000	16,147	-	343,147	100%
JD Read	**2013**	**-**	**-**	**25,000**	**-**	**-**	**25,000**	**100%**
(Non-Executive Director)	2012	-	-	25,000	-	-	25,000	100%
	2013	**981,783**	**99,000**	**100,000**	**69,510**	**7,200**	**1,257,493**	
	2012	878,858	45,000	104,000	70,127	-	1,097,985	

Notes:

(a) Base % reflects the amount of base level remuneration that is not dependent on individual or CVC performance.

(b) The Short Term Incentive Bonus paid to Mr. Beard represents a discretionary bonus as determined by the Directors of CVC, based on his performance during the year.

(c) Share based payments received by Mr. Beard represent options issued by CVC Private Equity Limited.

Consequences of performance on shareholder wealth

In considering CVC's performance and benefits for shareholder wealth, the Directors have regard to the following indices in respect of the current financial year and previous financial years.

	2013 $	2012 $	2011 $	2010 $	2009 $
Net profit/(loss) attributable to members of the parent entity	**9,290,136**	9,133,110	10,228,494	20,114,302	(66,624,934)
Comprehensive income/(loss) attributable to members of the parent entity	**10,690,344**	959,714	(4,166,636)	(3,315,913)	(30,720,994)
Total comprehensive income attributable to members of the parent entity	**19,980,480**	10,092,824	6,061,858	16,798,389	(97,345,928)
Dividends paid	**6,106,557**	6,176,414	6,516,452	2,716,612	4,830,176
Shares bought back on market	**878,742**	4,164,452	4,709,577	6,940,151	14,195,172
Share price	**1.00**	0.895	0.86	0.80	0.525
Change in share price	**0.105**	0.035	0.06	0.275	(0.475)

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Auditor Independence and Non-Audit Services

No fees were paid to HLB Mann Judd in respect of non-audit services during the year.

Auditor's Independence Declaration to the Directors of CVC Limited

A copy of the Independence Declaration given to the Directors by the lead auditor for the audit undertaken by HLB Mann Judd is included on page 14.

This Directors' Report is signed in accordance with a resolution of the Board of Directors.

Dated at Sydney 30 August 2013.

Vanda Gould	**Alexander Beard**
Director	*Director*

Auditor's Independence Declaration

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To the Directors of CVC Limited:

As lead auditor for the audit of the consolidated financial report of CVC Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

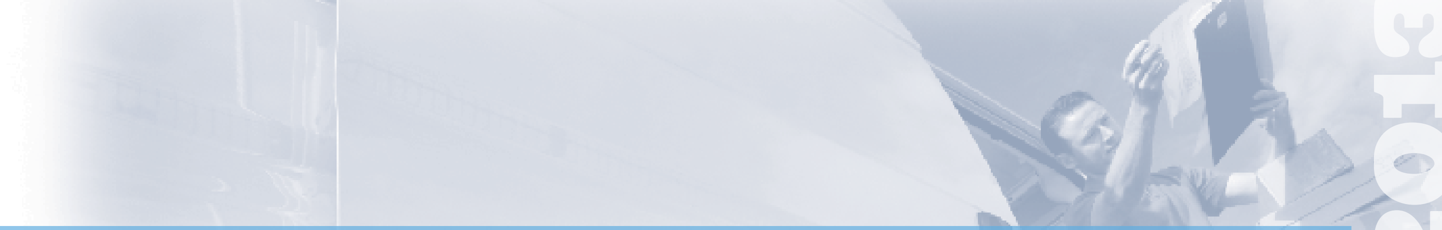
This declaration is in relation to CVC Limited and the entities it controlled during the year.

Dated at Sydney 30 August 2013.

M D Muller
Partner

HLB Mann Judd
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation



Consolidated Statement of Financial Performance for the year ended 30 June 2013

	Notes	2013 $	2012 $
INCOME			
Revenue from services		**2,545,552**	1,767,021
Rental income		**3,215,450**	4,317,985
Outgoings recovered		**660,739**	965,390
Net gain on sale of equity investments		**1,311,268**	6,563,439
Interest revenue		**9,065,441**	10,844,248
Dividend revenue		**952,395**	2,554,187
Discount on acquisition		**-**	4,629,188
Recovery of investments in associated entities		**5,668,685**	2,519,961
Recovery of investments in related entities		**3,437,635**	446,574
Recovery of investments in unrelated entities		**596,281**	-
Recovery of loans in associated entities		**947,941**	175,000
Recovery of loans in related entities		**-**	212,967
Recovery of loans in unrelated entities		**20,000**	-
Sale of goods		**87,761,848**	32,036,945
Net realised foreign exchange gain		**321,546**	574,586
Other income		**406,802**	490,517
Total income	4	**116,911,583**	68,098,008
Share of net profits of associates accounted for using the equity method	15	**2,044,736**	5,027,773
EXPENSES			
Change in fair value of investment properties		**476,019**	3,351,691
Cost of goods sold		**67,698,786**	24,529,545
Depreciation expense		**487,032**	287,515
Employee expenses		**12,725,872**	7,785,691
Finance costs	5	**2,475,963**	3,072,656
Impairment of listed investments		**8,795,552**	4,386,830
Impairment of unlisted investments		**285,581**	161,954
Impairment of investments in associated entities		**6,154**	2,005,450
Impairment of investments in related entities		**963,229**	6,368,810
Impairment of loans to associated entities		**932,017**	94,165
Impairment of loans to unrelated entities		**876,912**	76,689
Impairment of property, plant and equipment		**-**	812,200
Impairment of intangible assets		**-**	195,599
Investment property-related expenses		**668,555**	760,996
Management and consultancy fees		**439,237**	1,025,048
Operating lease rental		**1,426,466**	914,698
Other expenses	5	**8,637,931**	4,986,484
Profit before related income tax expense		**12,061,013**	12,309,760
Income tax expense	6	**981,565**	2,913,123
Net profit		**11,079,448**	9,396,637
Net profit attributable to non-controlling interest	24	**1,789,312**	263,527
Net profit attributable to members of the parent entity		**9,290,136**	9,133,110
Basic and diluted earnings per share	7	**0.0762**	0.0740

The above statement of financial performance is to be read in conjunction with the notes to the financial statements set out on pages 21 to 67.

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Consolidated Statement of Comprehensive Income for the year ended 30 June 2013

	2013 $	2012 $
Profit for the year	**11,079,448**	9,396,637
Other comprehensive income		
Investment value increases recognised in other reserves	**11,785,352**	3,027,006
Amounts transferred from other reserves to income on sale	**(1,134,897)**	(2,167,477)
Value of associates asset revaluation reserve recognised in other reserves	**15,400**	(266,894)
Value of associates foreign currency translation reserve recognised in other reserves	**-**	(33,486)
Other comprehensive income for the year, net of tax	**10,665,855**	559,149
Total comprehensive income for the year	**21,745,303**	9,955,786
Attributable to		
Shareholders	**19,980,480**	10,092,824
Non-controlling interest	**1,764,823**	(137,038)
	21,745,303	9,955,786

The above statement of comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 21 to 67.

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Consolidated Statement of Financial Position as at 30 June 2013

	Notes	2013 $	2012 $
CURRENT ASSETS			
Cash and cash equivalents	26	**27,601,321**	43,458,535
Loans and other receivables	9	**44,981,992**	52,557,774
Financial assets – "available-for-sale"	10	**-**	674,275
Financial assets – "at fair value through profit or loss"	11	**2,025,775**	4,927,964
Inventories	12	**21,181,608**	7,470,803
Current tax assets	6	**199,944**	82,924
Other assets	13	**903,368**	581,360
Total current assets		**96,894,008**	109,753,635
NON-CURRENT ASSETS			
Loans and other receivables	9	**9,421,060**	8,701,150
Financial assets – "available-for-sale"	10	**41,616,876**	28,732,281
Investments accounted for using the equity method	14	**45,893,290**	35,413,233
Property, plant and equipment	16	**3,688,297**	4,128,716
Investment properties	17	**52,588,212**	38,250,000
Intangible assets	18	**150,000**	-
Deferred tax assets	6	**33,259**	35,955
Total non-current assets		**153,390,994**	115,261,335
TOTAL ASSETS		**250,285,002**	225,014,970
CURRENT LIABILITIES			
Trade and other payables	19	**18,300,205**	13,781,191
Interest bearing loans and borrowings	21	**5,042,868**	19,900,000
Provisions	20	**999,542**	1,163,295
Current tax liabilities	6	**17,366**	2,329,337
Total current liabilities		**24,359,981**	37,173,823
NON-CURRENT LIABILITIES			
Trade and other payables	19	**231,903**	4,356,903
Interest bearing loans and borrowings	21	**34,568,515**	9,196,653
Provisions	20	**774,004**	584,791
Deferred tax liabilities	6	**323,886**	323,891
Total non-current liabilities		**35,898,308**	14,462,238
TOTAL LIABILITIES		**60,258,289**	51,636,061
NET ASSETS		**190,026,713**	173,378,909
EQUITY			
Contributed equity	22	**105,935,045**	106,813,787
Retained earnings	23	**54,864,508**	51,680,929
Other reserves	25	**11,164,585**	253,350
Total parent entity interest		**171,964,138**	158,748,066
Non-controlling interest	24	**18,062,575**	14,630,843
TOTAL EQUITY		**190,026,713**	173,378,909

The above statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 21 to 67.

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

	Contributed equity $	Retained earnings $	Asset revaluation $
At 1 July 2012	**106,813,787**	**51,680,929**	**(66,813)**
Profit for the year	**-**	**9,290,136**	**-**
Other comprehensive income	**-**	**-**	**10,423,094**
Total comprehensive income for the year	**-**	**9,290,136**	**10,423,094**
Other movements in equity:			
Share of associates equity based remuneration recognised in other reserve	**-**	**-**	**-**
Transactions with shareholders:			
Acquisition of interest in controlled entities	**-**	**-**	**342,708**
Shares bought back	**(880,088)**	**-**	**-**
Tax benefit of transaction costs	**1,346**	**-**	**-**
Return of capital	**-**	**-**	**-**
Dividend paid	**-**	**(6,106,557)**	**-**
Share based payment	**-**	**-**	**-**
At 30 June 2013	**105,935,045**	**54,864,508**	**10,698,989**
At 1 July 2011	110,978,239	48,724,233	(44,371)
Profit for the year	-	9,133,110	-
Other comprehensive income	-	-	906,497
Total comprehensive income for the year	-	9,133,110	906,497
Other movements in equity:			
Share of associates equity based remuneration recognised in other reserve	-	-	-
Transactions with shareholders:			
Acquisition of interest in controlled entities	-	-	(928,939)
Non-controlling interest disposal of interest in controlled entities	-	-	-
Shares bought back	(4,248,198)	-	-
Tax benefit of transaction costs	83,746	-	-
Dividend paid	-	(6,176,414)	-
Share based payment	-	-	-
At 30 June 2012	106,813,787	51,680,929	(66,813)

The above statement of changes in equity is to be read in conjunction with the notes to the financial statements as set out on pages 21 to 67.

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Employee equity benefit $	Foreign exchange translation $	Owners of the parent $	Non-controlling interest $	Total $
320,402	**(239)**	**158,748,066**	**14,630,843**	**173,378,909**
-	**-**	**9,290,136**	**1,789,312**	**11,079,448**
-	**267,250**	**10,690,344**	**(24,489)**	**10,665,855**
-	**267,250**	**19,980,480**	**1,764,823**	**21,745,303**
(32,655)	**-**	**(32,655)**	**-**	**(32,655)**
-	**-**	**342,708**	**2,700,455**	**3,043,163**
-	**-**	**(880,088)**	**-**	**(880,088)**
-	**-**	**1,346**	**-**	**1,346**
-	**-**	**-**	**(673,313)**	**(673,313)**
-	**-**	**(6,106,557)**	**(248,294)**	**(6,354,851)**
(89,162)	**-**	**(89,162)**	**(111,939)**	**(201,101)**
198,585	**267,011**	**171,964,138**	**18,062,575**	**190,026,713**
225,458	(53,456)	159,830,103	7,242,731	167,072,834
-	-	9,133,110	263,527	9,396,637
-	53,217	959,714	(400,565)	559,149
-	53,217	10,092,824	(137,038)	9,955,786
51,554	-	51,554	-	51,554
18,607	-	(910,332)	11,166,097	10,255,765
-	-	-	(307,910)	(307,910)
-	-	(4,248,198)	-	(4,248,198)
-	-	83,746	-	83,746
-	-	(6,176,414)	(3,339,877)	(9,516,291)
24,783	-	24,783	6,840	31,623
320,402	(239)	158,748,066	14,630,843	173,378,909

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

	Note	2013 $	2012 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		**111,907,106**	49,916,495
Cash payments in the course of operations		**(113,152,637)**	(51,499,354)
Cash payments for land held for resale		**(9,899,635)**	-
Proceeds from disposal of financial assets at fair value through profit or loss		**4,056,920**	2,049,341
Payments for disposal of financial assets at fair value through profit or loss		**(118,884)**	(3,094,296)
Interest received		**3,540,745**	6,148,264
Dividends received		**1,104,161**	2,367,616
Interest paid		**(1,637,192)**	(1,949,886)
Income taxes paid		**(3,387,225)**	(4,827,424)
Net cash used in operating activities	26	**(7,586,641)**	(889,244)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital expenditure for investment properties		**(618,340)**	(1,297,564)
Payments for property, plant and equipment		**(64,640)**	(207,564)
Payments for investment properties		**(9,567,654)**	-
Proceeds on disposal of property, plant and equipment		**18,027**	694
Proceeds on disposal of investment property		**-**	31,500,000
Payments for equity investments		**(39,684,749)**	(25,320,114)
Proceeds on disposal of equity investments		**25,835,136**	36,597,395
Proceeds on transactions with non-controlling interests		**2,950,100**	1,135,066
Acquisition of subsidiaries, net of cash acquired		**(300,000)**	13,496,941
Loans provided		**(17,397,646)**	(33,460,485)
Loans repaid		**28,936,673**	39,009,727
Loans acquired		**-**	(1,671,826)
Net cash (used in)/provided by investing activities		**(9,893,093)**	59,782,270
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		**(1,167,990)**	(16,000,000)
Proceeds from borrowings		**9,842,868**	-
Dividends paid		**(6,456,854)**	(9,834,562)
Payments for share buy-back		**(917,050)**	(8,148,703)
Net cash provided by/(used in) financing activities		**1,300,974**	(33,983,265)
Net (decrease)/increase in cash and cash equivalents		**(16,178,760)**	24,909,761
Foreign exchange gain on cash		**321,546**	574,586
Cash and cash equivalents at the beginning of the financial year		**43,458,535**	17,974,188
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	26	**27,601,321**	43,458,535

The above statement of cash flows income is to be read in conjunction with the notes to the financial statements set out on pages 21 to 67.

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2013

Notes to the Financial Statements
for the year ended 30 June 2013

Contents

Note

Note 1: Statement of Accounting Policies

The significant policies which have been adopted in the preparation of this Financial Report are:

1.1 BASIS OF PREPARATION

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards. The financial report has also been prepared on a historical cost basis, except for "available-for-sale" and "at fair value through profit or loss" investments and investment properties which have been measured at fair value.

These accounting policies have been consistently applied by each entity in CVC and, except where a change in accounting policy is indicated, are consistent with those of the previous year. Management is required to make judgements, estimates and assumptions in relation to the carrying value of assets and liabilities, that have significant risk of material adjustments in the next year and these have been disclosed in the relevant notes to the financial statements.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying CVC's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 33.

1.2 STATEMENT OF COMPLIANCE

The financial report complies with Australian Accounting Standards, which include the Australian Accounting Interpretations. The financial report also complies with International Financial Reporting Standards (IFRS).

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2013 reporting period:

AASB 9 *Financial Instruments* was released in late 2009 and is mandatory for periods beginning on or after 1 January 2015, The Standards will require two measurement models: amortised cost and fair value. Application of the standard is not expected to have a significant impact on the financial statements.

AASB 10 *Consolidated Financial Statements,* AASB 11 *Joint Arrangements*, AASB 12 *Disclosure of Interests in Other Entities*, AASB 128 *Investments in Associates and Joint Ventures*, AASB 127 *Separate Financial Statements Standards* is mandatory for periods beginning on or after 1 January 2013 the new accounting policies provide more reliable and relevant information for users to assess the composition of the group and the amounts, timing and uncertainty of future cash flows and introduces a single definition of control that applies to all entities. Control exists when the investor can use its power to affect the amount of its returns. Application of the standard is not expected to have a significant impact on the financial statements.

AASB 13 *Fair Value Measurement* was released in September 2011 and is mandatory for periods beginning on or after 1 January 2013 with

Notes to the Financial Statements
for the year ended 30 June 2013

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Note 1: Statement of Accounting Policies (Cont.)

early adoption permitted. It explains how to measure fair value and aims to enhance fair value disclosures. Application of the standard is not expected to have a significant impact on the financial statements.

1.3 PRINCIPLES OF CONSOLIDATION

Controlled entities

The consolidated financial statements comprise the financial statements of CVC Limited (the "Company") and its subsidiaries during the year ended 30 June 2013 ("CVC"). The financial statements of controlled entities are included in the results only from the date control commences until the date control ceases and include those entities over which CVC has the power to govern the financial and operating policies so as to obtain benefits from their activities.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profits and losses resulting from intra-group transactions have been eliminated in full and the reporting period and accounting policies of subsidiaries are consistent with those of the parent entity.

The acquisition of subsidiaries is accounted for using the purchase method of accounting which allocates the cost of the business combination to the fair value of the assets acquired and the liabilities assumed at the date of acquisition.

Non-controlling interests not held by CVC are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from parent shareholders' equity. Increases in investments in existing controlled entities are recognised by CVC in equity with no impact on goodwill and the statement of financial performance. The difference between the consideration paid by CVC and the carrying amount of non-controlling interest has been included in asset revaluation reserve.

Associates

Associates are those entities, other than partnerships, over which CVC exercises significant influence but not control. In the consolidated financial statements investments in associates are accounted for using equity accounting principles. The equity accounted investments are not recorded at a value in excess of CVC's share of the associates net assets at the date significant influence commences, with the exception of CVC's share of the associates future profits. Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. CVC's equity accounted share of the associates' net profit or loss is recognised in the consolidated statement of comprehensive income from the date significant influence commences until the date significant influence ceases. CVC's equity accounted share of movements in retained profits from changes in accounting policies by associates is recognised directly in consolidated retained earnings (note 23). CVC's equity accounted share of other movements in reserves of associates is recognised directly in consolidated reserves.

Parent entity information

The financial information of the Company is disclosed in note 3 and has been prepared on the same basis as the consolidated financial statements with the exception of investments in associates and controlled entities which are accounted for as "available-for-sale" investments.

Joint ventures

CVC's interests in joint venture partnerships are accounted for using equity accounting principles. Investments in joint venture partnerships are carried at the lower of the equity accounted amount and recoverable amount. CVC's equity accounted share of the joint venture partnerships' net profit or loss is recognised in the consolidated statement of comprehensive income from the date joint control commences to the date joint control ceases. CVC's share of other movements in reserves is recognised directly in consolidated reserves.

Goodwill

Goodwill is considered to have an indefinite life and represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of a business or shares in a controlled entity. Following initial recognition goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

1.4 IMPAIRMENT

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Non-financial assets other than goodwill that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

1.5 INVESTMENTS

Set-off of financial assets and liabilities

For investments with direct associated debt, the financial assets and liabilities are reflected on a net basis where this reflects a right, and an intention, to set-off the expected future cash flows from settling those assets and liabilities.

1.6 INCOME TAX AND OTHER TAXES

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities on the current period's taxable income at the tax rates enacted by the reporting date. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent

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Note 1: Statement of Accounting Policies (Cont.)

that it is probable that taxable profits will be available against which deductible temporary differences and the carry-forward of unused tax credits can be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

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

Tax consolidation legislation

The controlled entities of the Company implemented the tax consolidation legislation as at 30 June 2003. The entities in the consolidated group continue to account for their own current and deferred tax amounts. CVC has applied the "stand-alone taxpayer" approach in determining the appropriate amount of current taxes and deferred taxes to be allocated to members of the tax consolidated group. The Company recognises the current tax liabilities (or assets) from controlled entities in the tax consolidated group. To the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised the Company recognises the deferred tax assets from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except:

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

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

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

1.7 CASH AND CASH EQUIVALENTS

For the statement of cash flows, cash includes cash on hand and short-term deposits with an original maturity of three months or less.

1.8 TRADE AND OTHER PAYABLES

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to CVC prior to the end of the financial year that are unpaid and arise when CVC becomes obliged to make future payments in respect of the purchase of these goods and services. Trade payables are non-interest bearing and are normally settled on average between 30 day and 45-day terms.

1.9 TRADE AND OTHER RECEIVABLES

Trade receivables, which generally have 30-120 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that CVC will not be able to collect the debts. Bad debts are written off when identified.

1.10 PROPERTY, PLANT AND EQUIPMENT

Acquisition

Items of property, plant and equipment are recorded at cost and depreciated as outlined below.

Investment properties

Investment properties are initially measured at cost, including transaction costs. Investment properties are stated at fair value, which reflect market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment properties are recognised in the statement of financial performance in the year in which they arise.

Leased plant and equipment

Lease of plant and equipment under which the Company or its controlled entities assume substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Finance leases are capitalised. A lease asset and a liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged to the profit or loss. Contingent rentals are expensed as incurred.

Payments made under operating leases are charged against profits in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

Depreciation and amortisation

Property, plant and equipment are depreciated/amortised using the straight line and diminishing value methods over the estimated useful lives, with the exception of finance lease assets. Finance lease assets are amortised over the term of the relevant lease, or where it is likely CVC will obtain ownership of the asset, the life of the asset. Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only.

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Note 1: Statement of Accounting Policies (Cont.)

The current depreciation rates for each class of assets are as follows:

Plant and equipment	5% to 50%
Leased assets	15% to 25%
Leasehold improvements	2.5% to 30%

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amounts being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

1.11 INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the average cost method and includes direct and allocated costs incurred in acquiring the inventories and bringing them to their present location and condition. Provision is recognised when there is objective evidence that the consolidated entity will not be able to sell the inventor at normal reseller pricing.

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

1.12 INVESTMENTS AND OTHER FINANCIAL ASSETS

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either “financial assets at fair value through profit or loss”, “loans and receivables”, “held-to-maturity investments”, or “available-for-sale” investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, transaction costs. CVC determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that CVC commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

“At fair value through profit or loss”

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. After initial recognition “at fair value through profit or loss” assets are measured at fair value with gains or losses being recognised in the statement of financial performance.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the consolidated statement of financial performance when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

“Available-for-sale”

“Available-for-sale” investments are those non-derivative financial assets that are designated as “available-for-sale” or are not classified as any of the two preceding categories. After initial recognition “available-for-sale” investments are measured at fair value with gains or losses being recognised as separate components of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the consolidated statement of financial performance.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm’s length market transactions; net asset backing; reference to the current market value of another instrument that is substantially the same and discounted cash flow analysis.

All other non-current investments are carried at the lower of cost and recoverable amount.

CVC assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as “available-for-sale”, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for “available-for-sale” financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of comprehensive income – is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the consolidated statement of financial performance on equity instruments classified as “available-for-sale” are not reversed through the consolidated statement of financial performance.

1.13 INTANGIBLE ASSETS

(i) Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

(ii) Other intangible Assets

Other intangible assets are initially recorded at cost. Following initial recognition, other intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

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Note 1: Statement of Accounting Policies (Cont.)

1.14 INTEREST-BEARING LOANS AND BORROWINGS

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowing costs consists of interest and other costs relating to the financing of the acquisition of investment properties, and are expensed in the period they occur.

1.15 REVENUE AND REVENUE RECOGNITION

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

Sale of goods

Revenue from the sale of goods is recognised in total income when the significant risks and rewards of ownership have been transferred to the customer. This transfer generally occurs when the goods are delivered to the customer.

Interest income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Sale of non-current assets

The gain or loss on sale of non-current asset sales is included as income at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal and in the case of “available-for-sale” assets will include any amount attributable to the asset which is included in reserves.

Where an equity investment in a controlled entity is reduced and the entity ceases to be controlled, revenue from either the sale of goods or services from that investment ceases to be included in the statement of comprehensive income. If the equity investment continues to be held as an “available-for-sale asset”, changes in its fair value will be recognised directly in other comprehensive income. This may impact the ability to directly compare financial information.

Provision of services

Revenue from the provision of services represents management fees charged to associated entities and is recognised when the terms or the agreement are satisfied.

Revenue from the provision of warehousing services to external parties is recognised as the service is provided.

Where a financial asset has been issued in exchange for services, the market value of that asset is included as income at the date an unconditional contract is signed.

Dividends

Revenue from dividends and other distributions from controlled entities are recognised by the parent entity when they are declared by the controlled entities.

Revenue from dividends from associates is recognised by the Company when dividends are received.

Revenue from dividends from other investments is recognised when received.

Dividends received out of pre-acquisition reserves are recognised in revenue and the investment is also assessed for impairment.

Rental income

Rental revenue from operating leases is recognised on a straight line basis over the term of the lease.

Outgoings recovered

Outgoings recovered in relation to operating leases are recognised on a straight line basis over the term of the lease.

1.16 EMPLOYEE ENTITLEMENTS

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees’ services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled including “on-costs”.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Share based payment transactions

CVC provides benefits to employees (including senior executives) of CVC in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted, and amortised over the term of the plan.

1.17 CONTRIBUTED EQUITY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Shares issued under the CVC Executive Long Term Incentive Plan are treated as an option grant. The Black Scholes model is applied to calculate any equity based

Notes to the Financial Statements
for the year ended 30 June 2013

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Note 1: Statement of Accounting Policies (Cont.)

compensation amount arising from the assessed value of the shares issued exceeding the amount which the employee is required to pay for those shares. Such amounts are amortised over the relevant period during which the shares become available on an unrestricted basis. An increase in the value of contributed equity is also only recognised at the end of the period when the shares become available on an unrestricted basis.

1.18 DIVIDENDS

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.19 EARNINGS PER SHARE

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

1.20 COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

1.21 SEGMENT REPORTING

A business segment is a distinguishable component of the entity that is engaged in providing differentiated products or services.

Note 2: Controlled Entities

2.1 COMPOSITION OF CONSOLIDATED GROUP

The consolidated financial statements include the following controlled entities. The financial years of all controlled entities are the same as that of the parent entity. All companies are incorporated in Australia.

	Interest Held by Consolidated Entity	
	2013	2012
	%	%
CVC Limited		
Direct Controlled Entities:		
Biomedical Systems Pty Limited	**100**	100
CVC Fairfield Pty Limited	**100**	100
CVC Finance Company Pty Limited	**100**	100
CVC Funds Management Pty Limited	**100**	100
CVC Knoxfield Unit Trust No. 2	**100**	100
CVC Investment Managers Pty Limited	**100**	100
CVC Managers Pty Limited	**100**	100
CVC Mezzanine Finance Pty Limited	**100**	100
CVC Narabang Pty Limited	**95**	95
CVC (Newcastle) Pty Limited	**100**	100
CVC Property Managers Limited	**100**	100
CVC Property Fund	**90**	90
CVC Private Equity Limited	**61**	59
Renewable Energy Managers Pty Limited	**100**	100
Stinoc Pty Limited	**99**	99
The Eco Fund Pty Limited	**100**	100
CVC Renewables Pty Limited	**94**	94
CVC Resources Pty Limited	**100**	100
CVC Nepean Pty Limited	**100**	-
CVC Reef Investment Managers Pty Limited	**100**	100
Cellnet Group Limited	**51**	49
CVC Masters Unit Trust	**50**	-
iLiv CVC Rockhampton Trust	**50**	-
MAC 1 MP Pty Ltd ATF Marsden Park Development Trust	**66**	-
Controlled Entities owned 100% by CVC Property Fund:		
Belrose Unit Trust No. 1	**100**	100
Belrose Unit Trust No. 2	**100**	100
Belrose Unit Trust No. 3	**100**	100
CVC Knoxfield Unit Trust No. 1	**100**	100
Frenchs Forest No. 1 Trust	**100**	100
Frenchs Forest No. 2 Trust	**100**	100
Lauden CVC Property Trust	**100**	100
Controlled Entities owned by CVC Private Equity Limited:		
Battery Energy Power Solutions Pty Limited	**27**	27
Controlled Entities owned by CVC Renewables Pty Limited:		
Battery Energy Power Solutions Pty Limited	**43**	43

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Note 2: Controlled Entities (Cont.)

2.1 COMPOSITION OF CONSOLIDATED GROUP (Cont.)

	Interest Held by Consolidated Entity 2013	2012
Controlled Entities owned 100% by CVC Narabang Pty Limited:		
Narabang Constructions Pty Limited	**100**	100
Controlled Entities jointly owned by CVC Renewables Pty Limited and CVC Reef Investment Managers:		
Wind Corporation Australia Pty Limited	**80**	80
Hampton Wind Park Company Pty Limited	**80**	80
Controlled Entities controlled by Cellnet Group Limited:		
Comms Plus Marketing Pty Limited	**-**	100
C&C Warehouse (Holdings) Pty Limited	**100**	100
VME Systems Pty Limited	**-**	100
Michael Hornsby & Associates Pty Limited	**-**	100
Regadget Pty Limited	**90**	90
OYT Pty Limited	**-**	100
Cellnet Online Pty Limited	**-**	100

2.2 ACQUISITION OF BUSINESS OPERATIONS – STUFF PRODUCTS

On 28 March 2013 the consolidated entity acquired the business and assets of Stuff Products for a consideration of $300,000. CVC elected to measure the acquisition at fair value. The fair value of identifiable net assets of Stuff Products as at the date of acquisition is illustrated in the table below.

	$
Assets and Liabilities of Stuff Products at Acquisition:	
Inventories	**250,000**
Contingent Consideration (note 20)	**(100,000)**
Total identifiable net assets at fair value	**150,000**
Goodwill arising on acquisition	**150,000**
Consideration for acquisition	**300,000**

From the date of the Stuff Products transaction, the business has contributed revenues of $305,000 and profit before tax of $45,000. If Stuff Products had been owned for the whole of the financial year the revenue included would have been $1,819,000 and profit before tax of $325,000.

As part of the purchase agreement, a contingent consideration of $100,000 is payable to the seller should the company achieve a profit contribution of $300,000. This condition is effective over a specified period ending 27 September 2013. As at acquisition date, a fair value of the contingent consideration was estimated to be $100,000. This was based on management's opinion that there was a 100% probability of the conditions being met.

This opinion remains unchanged on the balance date. As such contingent consideration is recognised at a fair value of $100,000 at 30 June 2013.

Goodwill of $150,000 comprises the value of suppler contracts, customer relationships and expected synergies arising from the acquisition that is anticipated to result from combining the operation of the acquiree and acquirer that do not qualify for separate recognition.

Notes to the Financial Statements
for the year ended 30 June 2013

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Note 2: Controlled Entities (Cont.)

2.3 ACQUISITION AND DISPOSALS OF CONTROLLED ENTITIES – BATTERY ENERGY POWER SOLUTIONS PTY LIMITED

On 19 December 2011, CVC Renewables Pty Limited acquired 45% of Battery Energy Power Solutions Pty Limited for a consideration of $336,374. Immediately prior to that date CVC Limited had an existing holding of 25% of the equity on issue with a fair value of nil and CVC Private Equity Limited had an existing holding of 30% of the equity on issue with a fair value of $180,000. The combined deemed consideration amounted to $516,374.

A summary of the acquisition is as follows:

	$
Assets and Liabilities of Battery Energy Power Solutions Pty Limited at Acquisition:	
Cash assets	**1,092,292**
Trade and other receivables	**1,326,828**
Inventories	**1,511,785**
Trade and other payables	**(3,313,459)**
Total identifiable net assets at fair value	**617,446**
Less: non-controlling interest	**(101,072)**
Consideration for acquisition	**516,374**

For the period from acquisition to the end of the financial year, Battery Energy Power Solutions Pty Limited recorded revenues of $4,332,729 and profit after tax of $283,963. If Battery Energy Power Solutions Pty Limited had been owned for the whole of the financial year the revenue included would have been $8,439,061 and loss after tax would have been $356,530.

2.4 ACQUISITION AND DISPOSALS OF CONTROLLED ENTITIES – CVC REEF INVESTMENT MANAGERS LIMITED

On 19 December 2011, CVC acquired 50% of CVC REEF Investment Managers Limited for a consideration of $2,771. Immediately prior to that date CVC had an existing holding of 50% of the equity on issue with a fair value of $389,844. The combined deemed consideration amounted to $392,615.

A summary of the acquisition is as follows:

	$
Assets and Liabilities of CVC REEF Investment Managers Limited at Acquisition:	
Cash assets	**18,988**
Trade and other receivables	**2,820,058**
Trade and other payables	**(2,059,359)**
Total identifiable net assets at fair value	**779,687**
Discount on acquisition	**(387,072)**
Consideration for acquisition	**392,615**

For the period from acquisition to the end of the financial year, CVC REEF Investment Managers Limited recorded revenues of $992,692 and profit after tax of $720,969. If CVC REEF Investment Managers Limited had been owned for the whole of the financial year the revenue included would have been $2,850,165 and profit after tax would have been $1,739,621.

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Note 2: Controlled Entities (Cont.)

2.5 ACQUISITION AND DISPOSALS OF CONTROLLED ENTITIES – WIND CORPORATION AUSTRALIA PTY LIMITED

On 19 December 2011, CVC acquired 80% of Wind Corporation Australia Pty Limited for a consideration of $2,969,963.

A summary of the acquisition is as follows:

	$
Assets and Liabilities of Wind Corporation Australia Pty Limited at Acquisition:	
Cash assets	**1,425,111**
Trade and other receivables	**3,926,395**
Property, plant and equipment	**813,546**
Trade and other payables	**(96,258)**
Total identifiable net assets at fair value	**6,068,794**
Less: non-controlling interest	**(1,213,759)**
Discount on acquisition	**(1,885,072)**
Consideration for acquisition	**2,969,963**

For the period from acquisition to the end of the financial year, Wind Corporation Australia Pty Limited recorded revenues of $101,004 and loss after tax of $11,788. If Wind Corporation Australia Pty Limited had been owned for the whole of the financial year the revenue included would have been $367,079, and loss after tax would have been $124,970.

2.6 ACQUISITION AND DISPOSALS OF CONTROLLED ENTITIES – CVC RENEWABLES PTY LIMITED

On 20 December 2011, CVC increased its ownership from 79.14% to 93.96% via the acquisition of a 14.82% further interest in CVC Renewables Pty Limited for a consideration of $925,520.

2.7 ACQUISITION AND DISPOSALS OF CONTROLLED ENTITIES – CELLNET GROUP LIMITED

On 1 January 2012, CVC was deemed to have acquired the control of the company with a 46.69% interest in the ordinary shares of Cellnet Group Limited as it was determined that following the ongoing share buy back program that the company was undertaking, CVC had increased its ownership in the company to a point where it had the ability to determine the outcome of any shareholder resolutions, and as such was deemed to have acquired control of the company. Immediately prior to that date the fair value of CVC's existing holding in the company was $8,968,695.

A summary of the acquisition is as follows:

	$
Assets and Liabilities of Cellnet Group Limited at Acquisition:	
Cash assets	**15,219,953**
Trade and other receivables	**14,829,835**
Inventories	**6,237,980**
Property, plant and equipment	**1,408,291**
Intangibles	**149,246**
Trade and other payables	**(13,662,439)**
Total identifiable net assets at fair value	**24,182,866**
Less: non-controlling interest	**(12,891,343)**
Discount on acquisition	**(2,322,828)**
Consideration for acquisition	**8,968,695**

For the period from acquisition to the end of the financial year, Cellnet Group Limited recorded revenues of $29,482,000 and loss after tax of $883,000. If Cellnet Group Limited had been owned for the whole of the financial year the revenue included would have been $65,408,000 and loss after tax would have been $488,000.

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Note 2: Controlled Entities (Cont.)

2.8 ACQUISITION AND DISPOSALS OF CONTROLLED ENTITIES – OYT PTY LIMITED

The consolidated entity acquired an interest in OYT Pty Ltd in two separate stages. On 1 January 2012 CVC acquired the Cellnet Group Limited which included 30% of the share capital in OYT Pty Limited. The remaining 70% of share capital was acquired for a consideration of $50,831 on 17 February 2012. The fair value of identifiable net assets acquired from OYT Pty Limited on 17 February 2012 is illustrated in the table below.

	$
Assets and Liabilities of OYT Pty Limited at Acquisition:	
Cash and cash equivalents	**26,029**
Trade and other receivables	**42,490**
Inventories	**115,918**
Property, plant and equipment	**1,242**
Intangibles	**46,353**
Trade and other payables	**(146,985)**
Total identifiable net assets at fair value	**85,047**
Discount on acquisition	**(34,216)**
Consideration for acquisition	**50,831**

For the period from acquisition to the end of the financial year, OYT Pty Limited recorded no profit or loss to CVC. If the acquisition had taken place at the beginning of the year, revenue included would have been $1,824,000 and the loss for the year would have been $2,121,000.

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Note 3: Parent Company Information

The salient financial information in relation to the parent company, CVC Limited, are as follows:

i) STATEMENT OF COMPREHENSIVE INCOME

	2013 $	2012 $
INCOME		
Revenue from services	**125,000**	-
Net gain on sale of equity investments	**398,193**	1,924,142
Interest revenue	**4,505,023**	6,848,211
Dividend revenue	**984,042**	20,499,881
Recovery of investments in associated entities	**5,829,957**	5,763,240
Recovery of investments in related entities	**3,386,547**	447,143
Recovery of investments in unrelated entities	**596,281**	83,800
Recovery of loans to controlled entities	**-**	1,262,415
Recovery of loans to related entities	**-**	212,967
Recovery of loans to unrelated entities	**53,068**	-
Net realised foreign exchange gain	**20,396**	-
Other income	**32,277**	16,733
Total income	**15,930,784**	37,058,532
EXPENSES		
Impairment of listed investments	**7,037,480**	4,107,591
Impairment of unlisted investments	**285,581**	161,609
Impairment of investments in associated entities	**531,161**	355,333
Impairment of investments in related entities	**358,222**	5,566,118
Impairment of loans to controlled entities	**1,954,513**	5,733,044
Impairment of loans to related entities	**536,411**	83,312
Management and consultancy fees	**6,043,230**	6,500,040
Net realised foreign exchange loss	**-**	13,337
Other expenses	**2,375,645**	1,151,218
(Loss)/profit before related income tax expense	**(3,191,459)**	13,386,930
Income tax (benefit)/expense	**(512,559)**	312,600
Net (loss)/profit	**(2,678,900)**	13,074,330
Other comprehensive income		
Items that may be reclassified to profit or loss:		
Investment value increases/(decreases) recognised in other reserves	**7,118,713**	(2,049,714)
Amounts transferred from other reserves to other comprehensive income on sale	**(895,340)**	(1,123,537)
Other comprehensive income for the year, net of tax	**6,223,373**	(3,173,251)
Total comprehensive income for the year	**3,544,473**	9,901,079

Notes to the Financial Statements
for the year ended 30 June 2013

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Note 3: Parent Company Information (Cont.)

ii) STATEMENT OF FINANCIAL POSITION

	2013 $	2012 $
CURRENT ASSETS		
Cash and cash equivalents	**20,037,935**	30,195,909
Loans and other receivables	**6,063,619**	15,809,899
Financial assets – "at fair value through profit or loss"	**1,478,020**	2,191,784
Financial assets – "available-for-sale"	**-**	674,275
Current tax assets	**151,815**	-
Other assets	**174,182**	123,522
Total current assets	**27,905,571**	48,995,389
NON-CURRENT ASSETS		
Loans and other receivables	**42,654,542**	40,428,964
Financial assets – "available-for-sale"	**91,720,675**	75,903,129
Total non-current assets	**134,375,217**	116,332,093
TOTAL ASSETS	**162,280,788**	165,327,482
CURRENT LIABILITIES		
Trade and other payables	**1,591,722**	1,028,302
Current tax liabilities	**-**	2,228,720
Total current liabilities	**1,591,722**	3,257,022
NON-CURRENT LIABILITIES		
Trade and other payables	**40,891,591**	38,832,159
Total non-current liabilities	**40,891,591**	38,832,159
TOTAL LIABILITIES	**42,483,313**	42,089,181
NET ASSETS	**119,797,475**	123,238,301
EQUITY		
Contributed equity	**105,935,045**	106,813,787
Retained earnings	**5,921,834**	14,707,291
Other reserves	**7,940,596**	1,717,223
TOTAL EQUITY	**119,797,475**	123,238,301

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	2013 $	2012 $
Note 4: Income		
Rental income		
Related entities	-	142,380
Unrelated entities	**3,215,450**	4,175,605
Outgoings recovered		
Unrelated entities	**660,739**	965,390
Revenue from services		
Associated entities	**165,245**	211,324
Related entities	**289,583**	229,883
Unrelated entities	**2,090,724**	1,325,814
Net gain on sales of equity investments	**1,311,268**	6,563,439
Interest		
Associated entities	**157,731**	94,563
Related entities	**1,332,425**	490,955
Unrelated entities	**7,575,285**	10,258,730
Dividends		
Related entities	**510,584**	1,932,023
Unrelated entities	**441,811**	622,164
Sale of goods	**87,761,848**	32,036,945
Discount on acquisition	-	4,629,188
Impairment recoveries		
Recovery of investments in associated entities	**5,668,685**	2,519,961
Recovery of investments in related entities	**3,437,635**	446,574
Recovery of investments in unrelated entities	**596,281**	-
Recovery of loans in associated entities	**947,941**	175,000
Recovery of loans in related entities	-	212,967
Recovery of loans in unrelated entities	**20,000**	-
Net realised foreign exchange gain	**321,546**	574,586
Other revenue	**406,802**	490,517
Total income	**116,911,583**	68,098,008

Notes to the Financial Statements
for the year ended 30 June 2013

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	2013 $	2012 $

Note 5: Profit before income tax expense

Profit before income tax expense has been arrived at after charging the following items:

	2013 $	2012 $
Borrowing costs:		
Related entities	**808,453**	1,104,544
Other entities	**1,667,510**	1,968,112
Total borrowing costs	**2,475,963**	3,072,656
Other expenses:		
Audit fees	**421,127**	366,766
Directors fees	**737,295**	695,476
Insurance	**406,301**	291,070
Legal costs	**123,320**	234,950
Travel and accommodation	**229,301**	193,831
All other expenses	**6,720,587**	3,204,391
Total other expenses	**8,637,931**	4,986,484

Note 6: Income Tax

6.1 INCOME TAX EXPENSE:

	2013 $	2012 $
Accounting profit before income tax	**12,061,013**	12,309,760
Income tax expense at the statutory income tax rate of 30%	**3,618,304**	3,692,928
Increase in income tax expense due to:		
Trust loss not deductible	**-**	921,140
Sundry items	**52,947**	34,840
Decrease in income tax expense due to:		
Dividends received	**(358,229)**	(1,658,106)
Trust profit not assessable	**(367,624)**	-
Sundry items	**(54,547)**	-
Tax losses previously not recognised utilised	**(1,013,789)**	-
Net deferred tax not recognised	**(662,366)**	(207,091)
	1,214,696	2,783,711
Adjustments in respect of current income tax of previous years (a)	**(233,131)**	129,412
Income tax expense	**981,565**	2,913,123
The major components of income tax expense are:		
Current income tax charge	**1,993,971**	2,499,507
Deferred income tax	**(779,275)**	284,204
Adjustments in respect of current income tax of previous years (a)	**(233,131)**	129,412
Income tax expense reported in the statement of financial performance	**981,565**	2,913,123

(a) The adjustment in respect of current income tax includes an (over)/under-provision on tax liability arising from the 2012 income tax year.

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Note 6: Income Tax (Cont.)

	2013 $	2012 $
6.2 CURRENT TAX ASSETS:		
Income tax receivable:		
Balance at the end of the year	**199,944**	82,924
6.3 CURRENT TAX LIABILITIES:		
Income tax payable:		
Balance at the end of the year	**17,366**	2,329,337

6.4 DEFERRED TAX ASSETS

Deferred income tax at 30 June related to the following deferred tax assets:

	Included in Income $	Included in Equity $	Total $
Year ended 30 June 2013			
Provisions and accrued expenses	**1,173,726**	**-**	**1,173,726**
Impairment expenses	**11,382,997**	**-**	**11,382,997**
Share raising costs	**-**	**19,099**	**19,099**
Equity accounted investments	**3,426,907**	**-**	**3,426,907**
Tax losses	**9,810,103**	**-**	**9,810,103**
Deferred tax assets not recognised	**(25,760,474)**	**(19,099)**	**(25,779,573)**
	33,259	**-**	**33,259**
Year ended 30 June 2012			
"Available-for-sale" investments	14,889	-	14,889
Provisions and accrued expenses	819,233	-	819,233
Impairment expenses	11,288,744	-	11,288,744
Share raising costs	-	18,366	18,366
Equity accounted investments	3,750,435	-	3,750,435
Other	535,200	-	535,200
Tax losses	15,849,844	-	15,849,844
Deferred tax assets not recognised	(32,222,390)	(18,366)	(32,240,756)
	35,955	-	35,955

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Note 6: Income Tax (Cont.)

6.5 DEFERRED TAX LIABILITIES

Deferred income tax at 30 June related to the following deferred tax liabilities:

	Included in Income $	Included in Equity $	Total $
Year ended 30 June 2013			
"Available-for-sale" investments	**3,161,026**	**-**	**3,161,026**
Receivables	**609,220**	**-**	**609,220**
Equity accounted income	**10,685,572**	**-**	**10,685,572**
Property, plant and equipment	**25,790**	**-**	**25,790**
Intangible assets	**21,000**	**-**	**21,000**
Gain on acquisition	**405,247**	**-**	**405,247**
Other	**352,210**	**-**	**352,210**
Deferred tax liabilities not recognised	**(14,936,179)**	**-**	**(14,936,179)**
	323,886	**-**	**323,886**
Year ended 30 June 2012			
"Available-for-sale" investments	-	-	-
Receivables	1,067,340	-	1,067,340
Equity accounted income	8,621,473	-	8,621,473
Property, plant and equipment	90,989	-	90,989
Intangible assets	21,000	-	21,000
Gain on acquisition	713,394	-	713,394
Other	243,581	-	243,581
Deferred tax liabilities not recognised	(10,433,886)	-	(10,433,886)
	323,891	-	323,891

6.6 TAX CONSOLIDATION

The controlled entities of the Company implemented the tax consolidation legislation as at 30 June 2003. Members of the group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities to subsidiaries in the event the tax liability is not paid.

The entities in the consolidated group continue to account for their own current and deferred tax amounts. The members of the tax consolidated group has applied the "stand-alone taxpayer" approach in determining the appropriate amount of current taxes and deferred taxes to be allocated to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the Company recognises the current tax liabilities (or assets) from controlled entities in the tax consolidated group. To the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised the Company recognises the deferred tax assets from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Members of the tax consolidated group have entered into a tax funding agreement. Under the funding agreement the allocation of tax within the group is calculated as if each entity was an individual entity for tax purposes. Unless agreed between the members the tax funding agreement requires payment as a result of the transfer of tax amounts.

Note 7: Earnings per Share

	2013 $	2012 $
Basic and Diluted earnings per share (dollars per share)	**0.0762**	0.0740
Reconciliation of earnings used in the calculation of earnings per share:		
Profit after income tax	**11,079,448**	9,396,637
Less: non-controlling interest	**1,789,312**	263,527
Net profit attributable to members of the parent entity	**9,290,136**	9,133,110
	Number of Shares	
Weighted average number of ordinary shares – Basic and Diluted	**121,901,862**	123,351,129
Number of shares on issue at the end of the year	**121,421,485**	122,336,368

Note 8: Dividends

Dividends proposed or paid and not provided for in previous years by the Company are:

Declared during the financial year and included within the statement of changes in equity:

	Cents Per Share	Total $	Date of Payment	Tax rate for Franking Credit	Percentage Franked
2013 Interim dividend on ordinary shares	2.00	2,437,360	7 March 2013	30%	100%
2012 Final dividend on ordinary shares	3.00	3,669,197	7 September 2012	30%	100%
2012 Interim dividend on ordinary shares	2.00	2,462,398	1 March 2012	30%	100%
2011 Final dividend on ordinary shares	3.00	3,714,016	9 September 2011	30%	100%

Declared after the end of the financial period and not included in the statement of financial position:

A final dividend in respect of the year ended 30 June 2013 of 3 cents per share was declared on 30 August 2013 to be paid on 17 September 2013 to those shareholders registered on 10 September 2013.

	The Company	
	2013 $	2012 $
Dividend franking account		
Franking credits available to shareholders for subsequent financial years	**16,664,374**	17,108,977

The franking account is stated on a tax paid basis. The balance comprises the franking account at year-end adjusted for:

(a) franking credits that will arise from the payment of the amount of the provision for income tax
(b) franking debits that will arise from the refund of overpaid tax instalments
(c) franking debits that will arise from the payment of dividends recognised as a liability at year-end
(d) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date
(e) franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

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Note 9: Loans and other Receivables

	2013 $	2012 $
Current		
Trade receivables	**12,581,785**	13,207,390
Allowance for impairment loss	**(112,042)**	(131,415)
Other receivables and prepayments	**1,661,577**	1,189,692
Loans to related entities	**7,778,008**	8,848,615
Impairment of loans to related entities	**(2,541,992)**	(2,005,581)
Loans to other corporations	**25,614,656**	31,449,073
	44,981,992	52,557,774
Non-current		
Loans to related entities	**3,301,666**	2,821,209
Impairment of loans to related entities	**-**	(947,941)
Loans to associated entities	**1,937,613**	-
Loans to other corporations	**4,258,470**	6,904,571
Impairment of loans to other corporations	**(76,689)**	(76,689)
	9,421,060	8,701,150

9.1 TRADE RECEIVABLES

Trade receivables are non-interest bearing and are generally on 3 - 30 day terms. Certain trade receivables are insured through a debtors' insurance policy. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired and not recoverable within the terms of the insurance policy.

Movements in the provision for impairment loss were as follows:

	2013 $	2012 $
Carrying amount at the beginning of the year	**131,415**	-
Additions through purchase of controlled entities	**-**	314,160
Receivables written off during the year as uncollectible	**(62,970)**	(53,827)
Amount recovered	**(24,094)**	(225,906)
Provision for impairment recognised during the year	**67,691**	96,988
Carrying amount at the end of the year	**112,042**	131,415

The ageing analysis of the trade receivables is as follows:

	Total days $	0 – 30 days $	31 – 60 days $	61 – 90 days (PDNI) $	+91 days (PDNI) $	61 - 90 days (CI) $	+91 days (CI) $
Closing balance - 2013	**12,581,785**	**10,150,948**	**1,238,593**	**268,362**	**811,840**	**20,000**	**92,042**
Closing balance - 2012	13,207,390	8,932,343	1,922,392	588,450	1,632,790	39,234	92,181

PDNI – Past due not impaired
CI – Considered impaired

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Note 9: Loans and other Receivables (Cont.)

9.2 LOANS

When an entity does not pay a scheduled payment of principal and interest or management consider that there has been an adverse change in the underlying value of assets securing the loan a review is conducted to determine if the loan is considered to be impaired. Impairment of loans to related entities and other corporations has been determined after reviewing the underlying assets supporting the loans and the history of making payments to reduce both the principle and interest outstanding.

Movements in the provision for impairment loss were as follows:

	2013 $	2012 $
Carrying amount at the beginning of the year	**3,030,211**	4,628,347
Charge for the year	**1,413,323**	170,854
Amount recovered	**(947,941)**	(387,967)
Amounts written off	**(876,912)**	(1,381,023)
Carrying amount at the end of the year	**2,618,681**	3,030,211

Further details of loans are set out in notes 31 and 33.

Note 10: Financial Assets - "Available-for-Sale"

	2013 $	2012 $
Current		
Shares in listed corporations – at market value	-	674,275
Non-current		
Shares in listed corporations – at market value	**33,697,114**	22,495,665
Other investments – at cost	**8,949,079**	6,826,264
Impairment of other investments – at cost	**(2,035,581)**	(1,500,000)
Public unlisted investments – at market value	**1,006,264**	910,352
Other investments – at market value	**302,862**	433,562
Impairment of other investments – at market value	**(302,862)**	(433,562)
	41,616,876	28,732,281

Where there has been a reduction in the share price of an investment that appears to be prolonged or significant management have made an assessment as to whether impairment is required. Impairment of investments has been determined with reference to either a recent share price where an active market exists, discounted cash flow analysis, earnings multiples or underlying net assets. Management assesses the results to determine the most appropriate valuation.

10.1 SHARES IN LISTED CORPORATIONS – AT MARKET VALUE

The carrying value of certain investments classified as "Shares in listed corporations – at market value" has been determined by using the fair value approach. The closing "bid-price" was determined to be an appropriate indication for the fair value of the investment.

Significant share holdings are held in Resource Generation Limited, Buru Energy Limited, Bionomics Limited, Lonestar Resources Limited, Cyclopharm Limited, Kea Petroleum Plc and Vita Life Sciences Limited. The number of shares held is greater than what would reasonably be considered to be liquid. The closing "bid-price" was determined to be an appropriate indication for the fair value of the investment. Refer note 33.7.

CVC holds a 50% interest in Engage Private Equity Pty Limited (AFSL No 397878) as Trustee of the Engage Commercial Road Trust. CVC does not apply equity accounting or consolidation in relation to the investment as it has no influence over the Trustee.

CVC holds a 20% interest in DealsDirect Group Pty Limited. CVC does not apply equity accounting in relation to the investment as it has no influence over the management of the company.

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Note 10: Financial Assets - "Available-for-Sale" (Cont.)

10.2 OTHER INVESTMENTS – AT COST

The carrying value of certain investments classified as "Other investments – at cost" has been determined by using the fair value approach less transaction costs based on the asset based methodology, using the most recent audited financial report. The determination of the fair value has resulted in an impairment allowance of $2,035,581 (2012: $1,500,000).

10.3 PUBLIC UNLISTED INVESTMENTS – AT MARKET VALUE

The carrying value of certain investments classified as "Public unlisted investments – at market value" has been determined by using the fair value approach. The closing "redemption-price" for the Concise Mid Cap Fund was determined to be an appropriate indication for the fair value of the investment.

10.4 OTHER INVESTMENTS – AT MARKET VALUE

The carrying value of certain investments classified as "Other investments – at market value" of $302,862 (2012: $433,562) has been determined by using the fair value approach less transaction costs based on the asset based methodology. The determination of the fair value has resulted in an impairment allowance of $302,862 (2012: $433,562).

	2013 $	2012 $
Note 11: Financial Assets - "At Fair Value through Profit or Loss"		
Current		
Shares in listed corporations – at market value	**2,025,775**	4,927,964
Note 12: Inventories		
Current		
Stock on hand	**13,733,060**	9,156,158
Stock in transit	**185,501**	393,284
Provision for obsolescence	**(2,636,588)**	(2,078,639)
Land and development held for resale	**9,899,635**	-
Total inventories at the lower of cost and net realisable value	**21,181,608**	7,470,803

Inventories recognised as an expense for the year ended 30 June 2013 totalled $67,698,786 (2012: $24,529,545). This expense has been included in the cost of goods sold in the Statement of Financial Performance.

	2013 $	2012 $
Note 13: Other Assets		
Current		
Prepayments and deposits	**903,368**	581,360

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Note 14: Investments Accounted for using the Equity Method

Non-current		
Equity accounted shares in listed associated companies (note 15)	**19,968,174**	11,978,263
Equity accounted shares in other associated companies (note 15)	**25,925,116**	23,434,970
	45,893,290	35,413,233

Where there has been a reduction in the share price of an investment that appears to be prolonged or significant management have made an assessment as to whether impairment is required. The amount of the impairment has been determined after consideration of the fair value of the investments, being a recent share price where an active market exists, or alternative valuation methodologies from a review of the operations and assets of the company where an active market does not exist. Management assesses the results to determine the most appropriate valuation.

14.1 GREEN'S FOODS HOLDINGS PTY LIMITED

The carrying value of Green's Foods Holdings Pty Limited has been determined by using the fair value approach and has been calculated as $11,576,609 based on the net asset backing methodology, using the most recent reports provided by the company. Refer note 33.8.

14.2 CONCISE ASSET MANAGEMENT LIMITED

The carrying value of Concise Asset Management Limited has been determined by using the fair value approach and has been calculated as nil based on the net asset backing methodology, using the most recent reports provided by the company. Refer note 33.8.

14.3 CVC SUSTAINABLE INVESTMENTS

The carrying value of CVC Sustainable Investments ("CVCSI") has been determined by using the fair value approach and has been calculated as $569,100 based on the net asset backing methodology, using the most recent reports provided by the group. Refer note 33.8.

14.4 JAK INVESTMENT GROUP PTY LTD

The carrying value of JAK Investment Group Pty Ltd has been determined by using the fair value approach and has been calculated as $40,304 based on the net asset backing methodology, using the most recent reports provided by the company. Refer note 33.8.

14.5 EVERTEN GROUP PTY LIMITED

The carrying value of Everten Pty Limited has been determined by using the fair value approach and has been calculated as $378,838 based on the net asset backing methodology, using the most recent reports provided by the company. Refer note 33.8.

14.6 VILLA WORLD LIMITED

The carrying value of Villa World Limited ("VLW") has been determined by using the fair value approach. The closing "bid-price" of VLW on 30 June 2013 was $1.135 per share which was determined to be an appropriate indication for the fair value of the investment, despite the lack of an active market. Refer note 33.6 and 33.7.

14.7 CVC WAGGA WAGGA UNIT TRUST

The carrying value of CVC Wagga Wagga Unit Trust has been determined by using the fair value approach and has been calculated as nil based on the net asset backing methodology, using the most recent reports provided by the entity. Refer note 33.8.

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Note 15: Investments in Associated Entities

Details of material interests in associated entities are as follows:

	Type	Ownership Interest Consolidated		Investment Carrying Amount Consolidated		Dividend Received/ Receivable Consolidated	
		2013 %	2012 %	2013 $	2012 $	2013 $	2012 $
Cellnet Group Limited (a)	Ords	**n/a**	49.3	**-**	-	**-**	996,538
Concise Asset Management Limited	Ords	**49.0**	49.0	**-**	-	**-**	-
CVC Reef Investment Managers Limited (a)	Ords	**n/a**	100.0	**-**	-	**-**	299,999
CVC Sustainable Investments	Ords	**23.5**	23.5	**569,100**	1,511,885	**-**	-
CVC Wagga Wagga Unit Trust	Ord Units	**50.0**	50.0	**-**	-	**-**	-
GPG (No.7) Pty Limited (b)	Ords	**-**	27.5	**-**	10,149,040	**-**	-
Green's Foods Holdings Pty Limited (b)	Ords	**43.5**	-	**11,576,609**	-	**-**	-
JAK Investment Group Pty Limited (c)	Ords	**50.0**	40.0	**40,304**	-	**-**	-
Ron Finemore Transport Pty Limited (c)	Ords	**50.0**	50.0	**13,360,265**	11,374,045	**-**	-
Everten Group Pty Limited (c)	Ords	**50.0**	50.0	**378,838**	400,000	**-**	-
Villa World Limited	Ords	**23.9**	20.2	**19,968,174**	11,978,263	**-**	-
				45,893,290	35,413,233	**-**	1,296,537

(a) Cellnet Group Limited and CVC Reef Investment Managers Limited became consolidated entities of CVC Limited during the year ended 30 June 2012.

(b) During the period, CVC participated in a script-for-script rollover of the shares held in GPG (No.7) Pty Limited for shares in Green's Food Holdings Pty Limited. A reversal of the impairment charge of $5,668,685 in relation to GPG (No.7) has been included in the statement of financial performance during the period.

(c) JAK Investment Group Pty Limited, Ron Finemore Transport Pty Limited and Everten Group Pty Limited are not considered to be controlled entities of CVC as management of the companies is controlled by the holders of the remaining 50%.

Information on associated entities:

Cellnet Group Limited	-	a distributor of mobile and IT technology to the reseller community in Australia.
Concise Asset Management Limited	-	a boutique fund manager focused on investments in ASX listed entities.
CVC Reef Investment Managers Pty Limited	-	is the investment manager for the CVC REEF Limited renewable energy investment company.
CVC Sustainable Investments	-	a group of stapled companies focused on private equity investment in companies that are focused on improved environmental outcomes.
CVC Wagga Wagga Unit Trust	-	a property development of an industrial property in Wagga Wagga New South Wales.
Green's Foods Holdings Pty Limited	-	Green's Foods Holdings Pty Limited is the holding company for the manufacturing operations of the blended foods, cereals and snack foods division of Green's General Foods Pty Limited.
JAK Investment Group Pty Limited	-	a boutique real estate finance and investment house specialising in the provision of real estate capital solutions.
Ron Finemore Transport Pty Limited	-	Ron Finemore Transport Pty Limited is a regional road transport and logistics group.
Everten Group Pty Limited	-	an online kitchenware and gift basket business.
Villa World Limited	-	a developer of affordable residential communities within Queensland, New South Wales and Victoria, specialising in land only, land and volume speculative housing, and townhouse developments.

The reporting date of all the associated entities except Green's Foods Holdings Pty Limited is 30 June. Green's Foods Holdings Pty Limited has a reporting date of 31 December. All entities listed above are Australian.

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Note 15: Investments in Associated Entities (Cont.)

Reconciliations:

Movements in the carrying amount of the investments in associated entities under the equity accounting method are as follows:

	CVC Sustainable Investments $	Pro-Pac Packaging Limited $	GPG (No. 7) Pty Limited $	Green's Foods Holdings Pty Limited $	Cellnet Group Limited $	Villa World Limited (b) $	Ron Finemore Transport Pty Limited $	Other Entities (a) $	Total $
Year ended 30 June 2013									
Balance at the beginning of the year	**1,511,885**	**-**	**10,149,040**	**-**	**-**	**11,978,263**	**11,374,045**	**400,000**	**35,413,233**
New interests acquired	**-**	**-**	**-**	**5,198,060**	**-**	**2,121,587**	**-**	**-**	**7,319,647**
Interests disposed	**-**	**-**	**(4,173,870)**	**(4,245,395)**	**-**	**-**	**-**	**-**	**(8,419,265)**
Share of associates profits/ (losses) before tax	**(9,246)**	**-**	**(106,782)**	**238,381**	**-**	**972,217**	**2,837,457**	**19,142**	**3,951,169**
Share of associates tax (expenses)/benefit	**-**	**-**	**(761,750)**	**(389,760)**	**-**	**96,314**	**(851,237)**	**-**	**(1,906,433)**
Share of associates reserves	**15,401**	**-**	**-**	**-**	**-**	**(32,655)**	**-**	**-**	**(17,254)**
Impairment recovery	**-**	**-**	**5,668,685**	**-**	**-**	**-**	**-**	**-**	**5,668,685**
Impairment	**(6,154)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(6,154)**
Recovery of investment value (c)	**-**	**-**	**-**	**-**	**-**	**4,832,448**	**-**	**-**	**4,832,448**
Return of capital	**(942,786)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(942,786)**
Script-for-script rollover	**-**	**-**	**(10,775,323)**	**10,775,323**	**-**	**-**	**-**	**-**	**-**
Balance at the end of the year	**569,100**	**-**	**-**	**11,576,609**	**-**	**19,968,174**	**13,360,265**	**419,142**	**45,893,290**
Year ended 30 June 2012									
Balance at the beginning of the year	1,501,600	10,397,399	8,218,540	-	10,392,296	-	9,846,177	180,517	40,536,529
New interests acquired	-	-	-	-	-	-	-	400,000	400,000
Interests disposed	-	(13,436,478)	-	-	-	-	-	-	(13,436,478)
Share of associates profits before tax	281,217	742,184	676,225	-	259,767	-	2,212,379	903,222	5,074,994
Share of associates tax (expenses)/benefit	-	(223,089)	1,254,275	-	-	-	(684,511)	(393,896)	(47,221)
Share of associates reserves	(270,770)	23	-	-	21,920	-	-	-	(248,827)
Impairment recovery	-	2,519,961	-	-	-	-	-	-	2,519,961
Impairment	(162)	-	-	-	(1,705,289)	-	-	(299,999)	(2,005,450)
Reclassification of investments	-	-	-	-	(8,968,694)	11,978,263	-	(389,844)	2,619,725
Balance at the end of the year	1,511,885	-	10,149,040	-	-	11,978,263	11,374,045	400,000	35,413,233

Notes:

(a) Other entities include Concise Asset Management Limited, CVC Wagga Wagga Unit Trust, CVC Reef Investment Managers Limited, JAK Investment Group Pty Limited and Everten Group Pty Limited.

(b) CVC's share of Villa World Limited's before tax profit excludes impairment charges raised during the year amounting to $4,296,657 and the associated tax impact of $1,288,997.

(c) At the date Villa World Limited became an associate of CVC a discount existed between the market price and the net assets which was recognised in the revaluation reserve. The discount of net assets compared to share price has been reversed during the current year to the extent required to recognise the investment value in line with the market price at 30 June 2013.

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	2013 $	2012 $

Note 16: Property, Plant and Equipment

	2013 $	2012 $
Total property, plant and equipment	**3,688,297**	4,128,716
Comprises		
Plant and equipment		
At cost	**2,168,461**	2,343,908
Accumulated depreciation	**(575,123)**	(307,588)
	1,593,338	2,036,320
Properties		
At cost	**94,959**	92,396
At fair value (a)	**2,000,000**	2,000,000
	2,094,959	2,092,396
Reconciliation		
Plant and equipment		
Carrying amount at the beginning of the year	**2,036,320**	17,832
Additions arising from the acquisition of controlled entities	**-**	2,223,079
Additions	**62,077**	115,165
Disposals	**(18,027)**	(694)
Impairment	**-**	(31,547)
Depreciation	**(487,032)**	(287,515)
Carrying amount at the end of the year	**1,593,338**	2,036,320
Properties		
Carrying amount at the beginning of the year	**2,092,396**	-
Additions	**2,563**	92,396
Reclassification from investment properties arising from the acquisition of controlled entity	**-**	2,780,653
Impairment	**-**	(780,653)
Carrying amount at the end of the year	**2,094,959**	2,092,396

(a) The fair value of the property at 96 Fairfield Street Fairfield NSW, which is leased by Battery Energy Power Solutions Pty Limited, has been determined by Directors based on the market rental yield expected to be achieved from the property. The Directors consider that the current carrying value of the property is appropriate.

	2013	2012
Capitalisation rate	**14.2%**	14.2%
Lease expiry	**1.17 years**	2.17 years
Occupancy	**100%**	100%

	2013 $	2012 $

Note 17: Investment Properties

	2013 $	2012 $
Investment properties	**52,588,212**	38,250,000
Reconciliation		
Investment properties at the beginning of the year	**38,250,000**	74,949,158
Additions – acquisition of properties	**13,820,154**	-
Additions – capital expenditure	**994,077**	933,186
Reclassification to property, plant and equipment arising from the acquisition of controlled entity	**-**	(2,780,653)
Carrying value of investment property sold	**-**	(31,500,000)
Fair value adjustment	**(476,019)**	(3,351,691)
Carrying amount at the end of the year	**52,588,212**	38,250,000

17.1 CVC PROPERTY FUND

	2013 $	2012 $
Investment properties	**32,750,000**	32,750,000

The fair value has been determined by Directors as follows:

357 – 373 Warringah Road and 8 Rodborough Road Frenchs Forest New South Wales

Based on independent valuations provided by Colliers International dated 16 July 2012 with reference to the contract of sale for the properties for a price of $32.0 million with settlement on or before 30 June 2014 to an unrelated party of CVC. The confidential contract of sale is conditional upon a number of pre-conditions, including rezoning. The investment property is being classified as non-current rather than current until such time that an appropriate rezoning has been obtained in relation to the properties.

1 Narabang Way, Belrose New South Wales

Based on independent valuations provided by Colliers International dated 16 July 2012 with consideration of the outcome of the marketing campaign to sell the property undertaken during the year.

17.2 CVC KNOXFIELD UNIT TRUST NO. 2

	2013 $	2012 $
Investment property	**5,500,000**	5,500,000

The fair value of 1464 Ferntree Gully Road Knoxfield Victoria has been determined by Directors based on an estimated sales price less selling costs. The most recent valuation received on 13 May 2011 indicates a value of $7 million.

17.3 OTHERS

	2013 $	2012 $
Investment properties	**14,338,212**	-

The fair value has been determined by Directors as an estimate based on costs incurred to 30 June 2013.

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	2013 $	2012 $

Note 18: Intangible Assets

	2013 $	2012 $
Goodwill	**150,000**	-
Reconciliations:		
Website development		
Carrying amount at the beginning of the year	-	-
Arising on acquisitions of interests in controlled entities	-	195,599
Impairment	-	(195,599)
Carrying amount at the end of the year	-	-
Goodwill		
Carrying amount at the beginning of the year	-	-
Arising on acquisition of interest in controlled entity (note 2.2)	**150,000**	-
Carrying amount at the end of the year	**150,000**	-

Note 19: Trade and other Payables

	2013 $	2012 $
Current		
Trade and other payables	**8,964,066**	8,359,477
Investment property settlement	**4,702,500**	-
Sundry creditors and accruals	**4,633,639**	5,279,657
Goods and services tax	-	142,057
	18,300,205	13,781,191
Non-current		
Trade and other payables	**231,903**	231,903
Unsecured loan from associated entity	-	4,125,000
	231,903	4,356,903

19.1 UNSECURED LOAN FROM ASSOCIATED ENTITY

GPG (No. 7) Pty Limited completed a capital return on 2 November 2012 which was offset against the unsecured loan from associated entity.

19.2 INVESTMENT PROPERTY SETTLEMENT

Settlement of 190-198 Princes Highway, South Nowra New South Wales is due 30 September 2013.

	2013 $	2012 $

Note 20: Provisions

	2013 $	2012 $
Current		
Maintenance warranties	**40,000**	130,000
Employee entitlements	**959,542**	1,033,295
	999,542	1,163,295
Non-current		
Maintenance warranties	**90,000**	-
Employee entitlements	**584,004**	584,791
Contingent liability	**100,000**	-
	774,004	584,791

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Maintenance warranties $	Contingent liability $	Total $
Year ended 30 June 2013			
Carrying amount at the beginning of the year	**130,000**	**-**	**130,000**
Arising on acquisition of interest in controlled entity (note 2.2)	**-**	**100,000**	**100,000**
Carrying amount at the end of the year	**130,000**	**100,000**	**230,000**

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Note 21: Interest Bearing Loans and Borrowings

	2013 $	2012 $
Current		
Secured bank loan	**4,568,700**	19,900,000
Trade finance facility	**474,168**	-
	5,042,868	19,900,000
Non-current		
Secured bank loans	**24,700,000**	-
Unsecured loan from associated entity	**9,868,515**	9,196,653
	34,568,515	9,196,653

21.1 SECURED BANK LOANS

The secured bank loans are from various financial institutions and are secured by first ranking mortgages over the properties at 790 Norman Road, Rockhampton Queensland, 8 Rodborough Road Frenchs Forest New South Wales, 1 Narabang Way, Belrose New South Wales and 357-373 Warringah Road Frenchs Forest New South Wales, 1464 Ferntree Gully Road Knoxfield Victoria and Lot 11 Richards Road, Riverstone New South Wales. The carrying value of the security provided is $38,250,000 (note 17).

21.2 TRADE FINANCE FACILITY

The trade finance facility is secured by way of a fixed and floating charge over the operations of Cellnet Group Limited.

21.3 UNSECURED LOAN FROM ASSOCIATED ENTITY

This loan is an unsecured loan from Winten (No. 20) Pty Limited at an interest rate of 10% per annum repayable by 5 April 2017.

Note 22: Contributed Equity

	The Company			
	2013		2012	
	Number	$	Number	$
Issued and paid-up ordinary share capital				
Balance at the beginning of the year	**122,336,368**	**106,813,787**	127,088,001	110,978,239
Shares bought back on market	**(914,883)**	**(878,742)**	(4,751,633)	(4,164,452)
Balance at the end of the year	**121,421,485**	**105,935,045**	122,336,368	106,813,787

On 26 November 2012 CVC received approval from shareholders to undertake an on-market share buy-back scheme for a duration of 12 months and limited to 20,000,000 ordinary shares. At the date of this report 644,616 shares had been bought back under this scheme.

	2013 $	2012 $

Note 23: Retained Earnings

	2013 $	2012 $
Retained earnings at the beginning of the year	**51,680,929**	48,724,233
Net profit attributable to members of the parent company	**9,290,136**	9,133,110
Dividends	**(6,106,557)**	(6,176,414)
Retained earnings at the end of the year	**54,864,508**	51,680,929

Note 24: Non-Controlling Interest

Reconciliation of non-controlling interest in controlled entities:

	2013 $	2012 $
Balance at the beginning of the year	**14,630,843**	7,242,731
Share of net profit	**1,789,312**	263,527
Acquisition of interests in controlled entities	**2,700,455**	11,166,097
Disposal of shares by non-controlling interest in controlled entities	**-**	(307,910)
Return of capital	**(673,313)**	-
Dividends paid	**(248,294)**	(3,339,877)
Share based payment	**(111,939)**	6,840
Revaluation of investments	**(24,489)**	(400,565)
Balance at the end of the year	**18,062,575**	14,630,843

The non-controlling interest at the end of the year comprises interests in:

	2013 $	2012 $
Share capital	**32,696,195**	31,392,776
Asset revaluation reserve	**244,833**	380,692
Accumulated losses	**(14,878,453)**	(17,142,625)
	18,062,575	14,630,843

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Note 25: Other Reserves

	Asset Revaluation Reserve $	Employee Equity Benefit Reserve $	Foreign Exchange Translation Reserve $	Total $
Year Ended 30 June 2013				
Reserves at the beginning of the year	**(66,813)**	**320,402**	**(239)**	**253,350**
Equity accounted share of reserves	**15,400**	**(32,655)**	**-**	**(17,255)**
Share based payments	**-**	**(89,162)**	**-**	**(89,162)**
Net unrealised gain on investments through reserves	**11,540,165**	**-**	**245,187**	**11,785,352**
Net unrealised gain/(loss) on "available-for-sale" investments – non-controlling interest	**(7,291)**	**-**	**26,699**	**19,408**
Acquisition of non-controlling interest	**342,708**	**-**	**-**	**342,708**
Realised profit on "available-for-sale" investments transferred to profit and loss	**(1,130,261)**	**-**	**(4,636)**	**(1,134,897)**
Realised profit on "available-for-sale" investments transferred to profit and loss – non-controlling interest	**5,081**	**-**	**-**	**5,081**
Reserves at the end of the year	**10,698,989**	**198,585**	**267,011**	**11,164,585**
Year ended 30 June 2012				
Reserves at the beginning of the year	(44,371)	225,458	(53,456)	127,631
Equity accounted share of reserves	(266,894)	51,554	(33,486)	(248,826)
Share based payments	-	24,783	-	24,783
Net unrealised gain on investments through reserves	2,921,696	-	105,310	3,027,006
Net unrealised gain/(loss) on "available-for-sale" investments – non-controlling interest	620	-	(18,607)	(17,987)
Acquisition of non-controlling interest	(928,939)	18,607	-	(910,332)
Realised profit on "available-for-sale" investments transferred to profit and loss	(2,167,477)	-	-	(2,167,477)
Realised profit on "available-for-sale" investments transferred to profit and loss – non-controlling interest	418,552	-	-	418,552
Reserves at the end of the year	(66,813)	320,402	(239)	253,350

25.1 ASSET REVALUATION RESERVE

The asset revaluation reserve includes the movement in the fair value of investments to the extent that they offset one another and CVC's share of the unrealised appreciation in value arising from the acquisition of a non-controlling interest in a controlled entity by CVC.

25.2 EMPLOYEE EQUITY BENEFIT RESERVE

The employee equity benefits reserve is used to record the value of share based payments for CVC and associated entities provided to employees, including key management personnel, as part of their remuneration.

25.3 FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve includes exchange differences arising on translation of foreign entities where their functional currency is different to the presentation currency of CVC.

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Note 26: Notes to Statement of Cash Flows

26.1 RECONCILIATION OF CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short-term deposits at call. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2013 $	2012 $
Cash on deposit	**24,251,321**	43,108,535
Funds held by bank (note 28)	**3,350,000**	350,000
Cash and cash equivalents	**27,601,321**	43,458,535

26.2 RECONCILIATION OF PROFIT AFTER INCOME TAX TO CASH USED IN OPERATING ACTIVITIES

	2013	2012
Net profit	**11,079,448**	9,396,637
Add/(less) non-cash items:		
Share of equity accounted profits	**(2,044,736)**	(5,027,773)
Discount on acquisition	**-**	(4,629,188)
Depreciation and amortisation of property, plant and equipment	**487,032**	287,515
Management related expenses not recovered	**5,150**	92,136
Change in fair value of investment properties	**476,019**	3,351,691
Impairment of property, plant and equipment	**-**	812,200
Impairment of intangible assets	**-**	195,599
Impairment expenses on financial instruments	**11,859,445**	13,093,898
Impairment recoveries on financial instruments	**(10,670,542)**	(3,354,502)
Profit on disposal of investments	**(1,311,268)**	(6,563,439)
Net foreign currency profit	**(321,546)**	(574,586)
Non-cash employee benefits expense-share based payments	**(201,101)**	-
Interest income not received	**(5,524,696)**	(4,695,984)
Interest expense not paid	**808,453**	1,104,544
Dividend income	**151,767**	(182,395)
Movement in current tax liabilities	**(2,428,992)**	(2,276,527)
Movement in deferred tax assets and liabilities	**21,997**	362,027
Changes in operating assets and liabilities:		
Inventories	**(13,479,278)**	394,879
Financial assets at fair value through profit or loss	**3,938,036**	(1,044,955)
Trade and other receivables	**(193,934)**	3,063,378
Trade and other payables	**(122,444)**	(5,183,900)
Provisions	**(74,540)**	175,905
Other assets	**(40,911)**	313,596
Net cash used in operating activities	**(7,586,641)**	(889,244)

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	2013 $	2012 $

Note 26: Notes to Statement of Cash Flows (Cont.)

26.3 FINANCING FACILITIES

At 30 June 2013, CVC had access to the following specific lines of credit.

	2013 $	2012 $
Total facilities available:		
Secured bank loan	**44,699,800**	29,900,000
Total facilities used:		
Secured bank loan	**29,742,868**	19,900,000

Note 27: Auditors' Remuneration

The auditor of the Company is HLB Mann Judd.

	2013 $	2012 $
Amounts received or due and receivable to Auditors of the Company:		
Audit or review of the financial report	**205,500**	178,500
Amounts received or due and receivable by non HLB Mann Judd audit firms for:		
Audit or review of the financial report	**215,627**	188,266

The Auditors received no other benefits.

	2013 $	2012 $

Note 28: Commitments and Contingencies

28.1 OPERATING LEASE COMMITMENTS

Non-cancellable operating lease expense

Commitments – CVC Limited and its 100% subsidiaries

	2013 $	2012 $
Future operating lease commitments not provided for in the financial statements and payable:		
within one year	**-**	152,000

Commitments – Cellnet Group Limited

	2013 $	2012 $
Future operating lease commitments not provided for in the financial statements and payable:		
within one year	**842,000**	822,511
later than one year but not later than five years	**1,737,000**	2,311,506
	2,579,000	3,134,017

28.2 OPERATING LEASES - LEASES AS LESSOR

Some of the investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Remaining lease terms for all properties are on average 2.35 years, excluding options for lease extensions upon completion of the lease term.

	2013 $	2012 $
The future minimum lease payments under non-cancellable leases are as follows:		
less than one year	**3,260,430**	3,211,088
between one and five years	**4,770,222**	8,030,652
	8,030,652	11,241,740

28.3 FINANCIAL GUARANTEES

Bank Guarantees

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	2013 $	2012 $
CVC Limited and its 100% subsidiaries		
Bank guarantee (a)	**548,437**	548,437
Bank guarantee (b)	**3,000,000**	-
Commitments – Cellnet Group Limited		
Bank guarantee	**350,000**	350,000

(a) The bank guarantee provided by CVC is secured by a fixed and floating charge.
(b) The bank guarantee provided by CVC to National Australia Bank Limited is used as security for a loan facility in relation to 790 Norman Road, Rockhampton Queensland.

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Note 28: Commitments and Contingencies (Cont.)

	2013 $	2012 $
28.4 OPTIONS		
Exposure on open written option positions.		
Puts		
Within 1 month	-	891,000
Later than 1 month but not more than 2 months	**941,100**	-
	941,100	891,000
Covered Calls		
Within 1 month	**821,250**	-
Later than 1 month but not more than 2 months	-	1,075,000
	821,250	1,075,000
28.5 LOANS		
Amounts available to be drawn by borrowers under existing loan facility agreements.		
Related entities	**850,043**	588,280
Unrelated entities	-	3,283,495
	850,043	3,871,775

Note 29: Segment Information

29.1 PRIMARY SEGMENTS - BUSINESS SEGMENTS

Information for each business segment is shown in the following tables, in round thousands, as permitted under ASIC class order 98/100.

Composition of each business segment is as follows:
- Private Equity and Venture Capital involves equity and debt investments in non-listed entities not classified as property or funds management. It includes shares, debt, convertible notes and other investments.
- Listed Investments comprises investments listed on recognised stock exchanges.
- Property comprises property finance and equity accounted property interests.
- Funds Management comprises the business and assets of the investment funds management operations.
- Controlled investees include the operations of Cellnet Group Limited and Battery Energy Power Solutions Pty Limited.

29.2 SECONDARY SEGMENTS - GEOGRAPHICAL SEGMENTS

CVC operates predominantly in Australia.

Note 29: Segment Information (Cont.)

	Private Equity and Venture Capital $'000's	Listed Investments $'000's	Property $'000's	Funds Management $'000's	Controlled Investees $'000's	Eliminations $'000's	Consolidated $'000's
Year Ended 30 June 2013							
Revenue:							
Total revenue for reportable segments	7,860	5,169	11,318	1,216	89,910	-	115,473
Inter-segment revenue	-	-	4,166	7,667	-	(11,833)	-
Unallocated amounts:							
Interest income							1,439
Consolidated revenue							116,912
Equity accounted income	945	1,069	-	31	-	-	2,045
Results:							
Total profit for reportable segments	7,610	(4,625)	5,891	1,210	3,978	-	14,064
Unallocated amounts:							
Corporate expenses							(5,030)
Share of profit of equity accounted associates							2,045
Consolidated profit after tax							11,079
Assets:							
Segment assets	10,404	40,449	103,180	2,672	28,958	(6,169)	179,494
Unallocated amounts:							
Cash and cash equivalents							24,136
Equity accounted investments							45,893
Other assets							762
Total assets							250,285
Liabilities:							
Segment liabilities	370	-	44,638	791	13,172	-	58,971
Unallocated amounts:							
Other liabilities							1,287
Total liabilities							60,258

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Notes to the Financial Statements
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Note 29: Segment Information (Cont.)

	Private Equity and Venture Capital $'000's	Listed Investments $'000's	Property $'000's	Funds Management $'000's	Controlled Investees $'000's	Eliminations $'000's	Consolidated $'000's
Year Ended 30 June 2012							
Revenue:							
Total revenue for reportable segments	648	12,059	14,352	755	33,802	-	61,616
Inter-segment revenue	33	2,847	2,299	6,955	-	(12,134)	-
Unallocated amounts:							
Interest income							1,853
Discount on acquisition							4,629
Consolidated revenue							68,098
Equity accounted income	3,458	779	-	791	-	-	5,028
Results:							
Total profit for reportable segments	568	(403)	6,349	204	(519)	-	6,199
Unallocated amounts:							
Corporate expenses							(1,830)
Share of profit of equity accounted associates							5,028
Consolidated profit after tax							9,397
Assets:							
Segment assets	11,061	32,789	85,399	2,059	25,148	(4,929)	151,527
Unallocated amounts:							
Cash and cash equivalents							38,333
Equity accounted investments							35,413
Other assets							282
Total assets							225,555
Liabilities:							
Segment liabilities	4,750	32	30,357	399	12,663	-	48,201
Unallocated amounts:							
Other liabilities							3,975
Total liabilities							52,176

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Note 30: Related Party Information

30.1 KEY MANAGEMENT PERSONNEL

The only key management personnel of the Company are the Directors.

The names of each person holding the position of Director of CVC during the financial year are:
Vanda Russell Gould
John Scott Leaver
John Douglas Read
Alexander Damien Harry Beard

Details of Directors' remuneration, superannuation and retirement payments are set out in the Remuneration Report section of the Directors' Report.

Apart from the details disclosed in this financial report, no Director has entered into a contract with the Company or CVC since the end of the previous financial year and there were no contracts involving Directors' interests existing at year-end.

30.2 LOANS TO KEY MANAGEMENT PERSONNEL

The details of the loans to Directors and key management personnel have been included in the Remuneration Report.

30.3 SHARE-BASED PAYMENTS

CVC Private Equity Limited Option Plan

The establishment of the CVC Private Equity Limited Option Plan ("CVCPEOP") was approved by a resolution of shareholders on 26 November 2012. Options are granted under the CVCPEOP for no consideration for a term of 3 years. The exercise price which is payable in cash and life of the options will be the amount specified by Directors at the time of issue. An option not exercised at the end of the term will lapse. The maximum number of options available to be issued under the CVCPEOP is 3,700,000.

Options granted under the plan carry no dividend or voting rights. When exercised, each option is convertible into one ordinary share of CVC Private Equity Limited. Amounts received on the exercise of options are recognised as a non-controlling interest in CVC.

The following is a summary of options granted under the plan.

Grant Date	Exercise Date	Exercise Price (cents)	Balance at start of the year	Granted during the year	Exercised during the year	Lapsed during the year	Balance at end of the year	Vested
16 Jan 2013	15 Jan 2016	75.0	-	3,150,000	-	-	3,150,000	3,150,000

Mr Beard has been issued 1,200,000 options. The assessed fair value per option at grant date is allocated equally over the period from grant date to vesting date, and the amount is included in remuneration as disclosed in the Remuneration Report on page 12.

The fair value per option has been determined by using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the share price and expected volatility of the underlying share and the risk-free interest rate for the term of the option. The theoretical value of the options are calculated as being 0.6 cents per option. Further terms and conditions include:

Price of the underlying shares - 62.66 cents;
Implied volatility - 5.28%;
The exercise price is adjusted for corporate actions; and
Risk-free interest rate for the life of the options – 3.25%.

Cellnet Group Limited Option Plan

On 18 December 2007, the shareholders of Cellnet Group Limited ("Cellnet") approved an Executive share option plan that entitles Executives of Cellnet to purchase shares in the company.

Under the plan the board of Cellnet has the discretion to issue options to Executives as long as the issue does not result in the Executive owning or controlling the exercise or voting power attached to 5% or more of all shares then on issue. Each option is convertible to one ordinary share of Cellnet. The exercise price of the options is determined by the Board.

Upon the exercise of an option, each share issued will rank equally with other shares of Cellnet. Amounts received on the exercise of options are recognised as a non-controlling interest in CVC.

Cellnet has not issued options to directors of CVC. Cellnet has issued 3,300,000 options to directors and key management personnel of its own company.

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Note 30: Related Party Information (Cont.)

30.3 SHARE-BASED PAYMENTS (Cont.)

The following is a summary of options granted under the plan.

Grant Date	Exercise Date	Exercise Price (cents)	Balance at start of the year	Granted during the year	Exercised during the year	Lapsed during the year	Balance at end of the year	Vested
Year ended 30 June 2013								
21 Oct 2011	**21 Oct 2013**	**36.0**	**3,300,000**	**-**	**-**	**(1,700,000)**	**1,600,000**	**-**
Year ended 30 June 2012								
21 Oct 2011	21 Oct 2013	36.0	-	3,300,000	-	-	3,300,000	-

Vesting and exercise of options requires the employee remains employed by Cellnet. The option holder has 12 months from the date of vesting to exercise options.

The fair value per option has been determined by using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the share price and expected volatility of the underlying share and the risk-free interest rate for the term of the option. Further terms and conditions include:

Price of the underlying shares – 36.0 cents;
Implied volatility - 65%;
The exercise price is adjusted for corporate actions; and
Risk-free interest rate for the life of the options – 3.9%.

Value of options awarded, exercised and lapsed during the year

	Value of options granted	Value of options exercised	Value of options lapsed
CVC Private Equity Limited			
ADH Beard	**7,200**	**-**	**-**
Other (a)	**11,700**	**-**	**-**
Cellnet Group Limited			
Other (b)	**-**	**-**	**34,000**

Notes:
(a) Represents officers of CVC Private Equity Limited that are not key management personnel of CVC.
(b) Represents officers of Cellnet that are not key management personnel of CVC.

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Note 30: Related Party Information (Cont.)

30.4 LOANS WITH RELATED PARTIES

The following represent loans to and from related parties with CVC and its controlled entities during the financial year.

	2013 $	2012 $	Interest Rate %
Loans Receivable			
CVC Sustainable Investments No.2 Limited	**-**	699,314	**0%**
CVC Wagga Wagga Unit Trust	**5,221,992**	4,985,581	**20%**
Impairment of loan – CVC Wagga Wagga Unit Trust	**(2,541,992)**	(2,005,581)	
Concise Asset Management Limited	**770,226**	947,941	**8.5%**
Impairment of loan – Concise Asset Management Limited	**-**	(947,941)	
Alpha JAK Pty Limited	**1,014,035**	-	**20%**
Kiedis Investments Pty Limited	**1,541,982**	1,328,431	**10%**
Subaru Limited	**-**	275,993	**15%**
IGS Enterprises Pty Limited	**2,612,952**	2,798,512	**15%**
Everten Group Pty Limited	**1,167,387**	1,173,954	**(a)**
PMQ Investments Pty Limited	**688,713**	-	**0%**
Loans Payable			
Winten (No. 20) Pty Limited	**9,868,515**	9,832,344	**10%**
Alexander Beard and Pascale Beard as trustees for the AD & MP Beard Superannuation Fund	**26,612**	-	**0%**

Notes:
(a) The interest rate is variable and is calculated at a 4% margin above the 90 day Australian Bank Bill Rate and resets each quarter.

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Note 30: Related Party Information (Cont.)

30.5 OTHER TRANSACTIONS

The following represent income and expenditure generated from transactions with related parties with CVC and its controlled entities during the financial year.

	2013 Paid $	2013 Received $	2012 Paid $	2012 Received $
Management and consulting fees				
CVC Sustainable Investments Limited	-	56,190	-	87,163
CVC Sustainable Investments No. 2 Limited	-	20,568	-	72,811
Lonestar Resources Limited	-	37,500	-	50,000
Cellnet Group Limited (b)	-	-	-	27,250
Cyclopharm Limited	-	-	-	105,133
DoloMatrix International Limited	-	2,083	-	47,500
Battery Energy Power Solutions Pty Limited (c)	-	-	35,000	-
Villa World Limited	-	71,820	-	51,350
Green's Foods Holdings Pty Limited	-	16,667	-	-
Interest income				
IGS Enterprises Pty Limited	-	348,630	-	193,304
Kiedis Investments Pty Limited	-	213,550	-	231,993
Everten Group Pty Limited	-	85,244	-	7,022
Battery Energy Power Solutions Pty Limited (c)	-	-	-	37,254
CVC View Apartments Mezzanine Funding Unit Trust	-	361,618	-	662,175
Concise Asset Management Limited	-	72,285	-	87,542
Alpha JAK Pty Limited	-	408,627	-	-
JAK Investment Group Pty Limited	-	202	-	-
Cyclopharm Limited	-	-	-	2,410
Dividend and distribution income				
Cellnet Group Limited (b)	-	-	-	996,538
Dolomatrix International Limited	-	-	-	564,684
Lonestar Resources Limited	-	275,039	-	-
Vita Life Sciences Limited	-	80,723	-	40,261
CVC REEF Investment Managers Limited (c)	-	-	-	299,999
Concise Mid Cap Fund	-	24,314	-	30,541
Subaru Limited	-	87,008	-	-
CVC Nepean Pty Limited ATF Nepean Highway Unit Trust	-	43,500	-	-
Winten (No. 20) Pty Limited (d)	-	689,705	-	-
Other amounts				
Battery Energy Power Solutions Pty Limited - Rent	-	-	-	142,380
CVC Nepean Pty Limited ATF Nepean Highway Unit Trust - Underwriting fee	-	250,000	-	-
Cyclopharm Limited - Underwriting fees	-	125,557	-	-
Melbourne Corporation of Australia Pty Limited - Secretarial (a)	44,100	-	44,100	-
Winten (No. 20) Pty Limited - Borrowing costs	808,453	-	1,104,544	-

Notes:
(a) Private company associated with Mr Gould.
(b) Amounts relate to the period prior to deemed acquisition on 1 January 2012.
(c) Amounts related to transaction prior to acquisition on 19 December 2011.
(d) The dividend received from Winten (No. 20) Pty Limited was offset against the unsecured loan from associated entity (note 21).

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Note 31: Additional Financial Instruments Disclosure

CVC's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk. CVC's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group.

CVC uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and price risk.

The responsibility for operational risk management resides with the Board of Directors who seeks to manage the exposure of CVC. There have been no significant changes in the types of financial risks, or CVC's risk management program (including methods used to measure the risks) since the prior year.

31.1 INTEREST RATE RISK

CVC's exposure to interest rate risks of financial assets and liabilities both recognised and unrecognised at the reporting date are as follows:

		Floating Interest Rate $	Fixed Interest 1 Year or Less $	Fixed Interest 1 to 5 Years $	Non-Interest Bearing $	Total $
2013						
Financial assets						
Cash and cash equivalents	26	**8,164,139**	**19,436,680**	**-**	**502**	**27,601,321**
Loans and other receivables	9	**1,167,387**	**30,850,672**	**8,102,778**	**14,282,215**	**54,403,052**
Financial liabilities						
Trade and other payables	19	**-**	**-**	**-**	**18,300,205**	**18,300,205**
Interest bearing liabilities	21	**29,268,700**	**474,168**	**9,868,515**	**-**	**39,611,383**
2012						
Financial assets						
Cash and cash equivalents	26	19,184,113	24,273,920	-	502	43,458,535
Loans and other receivables	9	1,173,954	38,832,009	7,527,196	14,265,667	61,798,826
Financial liabilities						
Trade and other payables	19	-	-	-	18,138,094	18,138,094
Interest bearing liabilities	21	19,900,000	-	9,196,653	-	29,096,653

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Note 31: Additional Financial Instruments Disclosure (Cont.)

31.1 INTEREST RATE RISK (Cont.)

CVC holds a significant amount of cash balances which are exposed to movements in interest rates. To reduce the risk CVC typically deposits uncommitted cash with financial institutions at fixed rates with maturity of between 30 – 90 days. Interest bearing loans and receivables are made at fixed rates. CVC is not charged interest on outstanding trade and other payable balances. CVC enters into loans and borrowings with fixed rates of interest when it is considered commercial and necessary to manage cash flows.

Sensitivity
At reporting date, if interest rates had been 50 basis points lower (2012: 50 basis points lower) and the other variables were held constant, then the impact on CVC would be:

	Decrease of 50 bp $
2013	
Net loss	**(98,649)**
Equity decrease	**(98,649)**
2012	
Net loss	(95,508)
Equity decrease	(95,508)

31.2 PRICE RISK

31.2.1 Equity Securities Price Risk

CVC has investments in listed securities which could be adversely affected if general equity market values were to decline. CVC also has investments in unlisted securities however these are less susceptible to movements in value as a result of market sentiment as they are valued based on operational fundamentals. CVC does not hedge its exposure to the risk of a general decline in equity market values, believing that such strategies are not cost-effective.

Sensitivity
At reporting date, if equity prices had been 10% higher/(lower) while all other variables were held constant the impact would be:

	Increase of 10% $	Decrease of 10% $
2013		
Net profit/(loss)	**204,446**	**(204,446)**
Equity increase/(decrease)	**5,693,043**	**(5,693,043)**
2012		
Net profit/(loss)	502,699	(502,699)
Equity increase/(decrease)	4,108,154	(4,108,154)

31.2.2 Commodity Price Risk

The Group's exposure to commodity price risk arises from fluctuations in the lead price, which has a direct impact on the cost of production of batteries. CVC does not hedge its exposure to the movements in lead prices believing that such strategies are not cost-effective.

Sensitivity
At reporting date, if lead prices had been 10% higher/(lower) while all other variables were held constant the impact would be:

2013		
Net (loss)/profit	**(126,055)**	**126,055**
Equity (decrease)/increase	**(126,055)**	**126,055**
2012		
Net (loss)/profit	(98,488)	(98,488)
Equity (decrease)/increase	(98,488)	(98,488)

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Note 31: Additional Financial Instruments Disclosure (Cont.)

31.3 CREDIT RISK EXPOSURE

Credit risk refers to the loss that CVC would incur if a debtor or counterparty fails to perform under its obligations. The carrying amounts of financial assets recognised in the statement of financial position best represent CVC's maximum exposure to credit risk at reporting date. CVC seeks to limit its exposure to credit risk by performing appropriate background investigations on counterparties before entering into arrangements with them and to seek collateral with a value in excess of the counterparty's obligations to CVC, providing a "margin of safety" against loss.

CVC's significant concentration of credit risk relates to deposits held with financial institutions, which is mitigated by the requirement that deposits are only held with institutions with an "investment grade" credit rating, and loans made to various entities, which are mitigated by collateral held with a value in excess of the counterparty's obligations to CVC, providing a "margin of safety" against loss.

CVC minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a number of counterparties, and is managed through normal payment terms of 30 days.

31.4 LIQUIDITY RISK

CVC manages liquidity risk by maintaining sufficient cash balances and holding liquid investments that could be realised to meet commitments. CVC continuously monitors forecast and actual cash flows and matches the maturity profiles of financial assets and liabilities.

The following table details CVC's contractual liabilities.

	Less than 6 months $	6 months to 1 Year $	1 to 5 Years $	Greater than 5 Years $	Total $
2013					
Trade and other payables	**18,068,302**	**-**	**-**	**231,903**	**18,300,205**
Interest bearing liabilities	**474,168**	**4,568,700**	**34,568,515**	**-**	**39,611,383**
2012					
Trade and other payables	13,612,253	-	4,293,938	231,903	18,138,094
Interest bearing liabilities	19,900,000	-	9,196,653	-	29,096,653

31.5 CURRENCY RISK

Currency risk is measured using sensitivity analysis. A portion of CVC investments are in companies listed on foreign exchanges and sales and purchases are made in foreign currencies. CVC is exposed to a decline in the values of those currencies relative to the Australian dollar.

Considering the quantum of the investments in absolute terms as well as relative terms compared to CVC's total investment portfolio it is not cost-effective to hedge against foreign exchange fluctuations.

CVC enters into limited forward foreign exchange contracts to hedge certain anticipated purchase commitments denominated in foreign currencies (principally United States dollar) and hold limited amounts in foreign denominated bank accounts. The term of these commitments are no more than 45 days.

CVC has a subsidiary in New Zealand and all transactions for the subsidiary are denominated in New Zealand dollars. There is currently no hedge in place to mitigate the foreign currency risk.

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Note 31: Additional Financial Instruments Disclosure (Cont.)

31.5 CURRENCY RISK (Cont.)

Entering into forward foreign currency contracts for sales and purchases minimises the risk of sharp fluctuations in foreign exchange rates and allows for better cash flow management in relation to paying international suppliers. At balance date CVC had the following exposure to the United States dollar that is not designated in cashflow hedges:

	2013 $	2012 $
Financial assets		
Trade and other receivables	**1,801,000**	1,684,000
Financial liabilities		
Trade and other payables	**3,027,000**	4,319,000

Foreign currency sensitivity

CVC is exposed to the Malaysian ringgit (MYR), Great British Pound (GBP) and US dollar (USD). The following table details CVC's sensitivity to a 10% change in the Australian dollar against the respective currencies with all other variables held constant as at reporting date for unhedged foreign exchange exposure. A positive number indicates an increase in net profit/equity.

A sensitivity of 10% has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed on a historic basis and market expectations for future movement.

	Increase in AUD of 10% $	Decrease in AUD of 10% $
MYR		
2013		
Net profit/(loss)	**-**	**-**
Equity increase/(decrease)	**-**	**-**
2012		
Net profit/(loss)	-	-
Equity increase/(decrease)	(61,298)	74,919
USD		
2013		
Net profit/(loss)	**524,959**	**(1,183,839)**
Equity increase/(decrease)	**386,183**	**(979,392)**
2012		
Net profit/(loss)	99,041	(82,837)
Equity increase/(decrease)	(25,853)	104,642
GBP		
2013		
Net profit/(loss)	**-**	**-**
Equity increase/(decrease)	**(222,625)**	**272,097**
2012		
Net profit/(loss)	-	-
Equity increase/(decrease)	(39,391)	48,145

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Note 31: Additional Financial Instruments Disclosure (Cont.)

31.6 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

CVC uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset that are not based on observable market data.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

	Quoted market price (Level 1) $	Valuation technique – market observable inputs (Level 2) $	Valuation technique – non market observable inputs (Level 3) $	Total $
Year ended 30 June 2013				
Financial assets				
"Available-for-sale" investments				
Shares in listed corporations – at market value	**23,991,873**	**9,705,241**	**-**	**33,697,114**
Public unlisted investments – at market value	**-**	**1,220,682**	**-**	**1,220,682**
Other investments – at cost	**-**	**3,697,000**	**3,002,080**	**6,699,080**
"Fair value through profit or loss" investments				
Shares in listed corporations – at market value	**2,025,775**	**-**	**-**	**2,025,775**
	26,017,648	**14,622,923**	**3,002,080**	**43,642,651**
Year ended 30 June 2012				
Financial assets				
"Available-for-sale" investments				
Shares in listed corporations – at market value	17,942,473	5,227,467	-	23,169,940
Public unlisted investments – at market value	-	910,352	-	910,352
Other investments – at cost	-	3,037,000	2,289,264	5,326,264
"Fair value through profit or loss" investments				
Shares in listed corporations – at market value	4,927,964	-	-	4,927,964
	22,870,437	9,174,819	2,289,264	34,334,520

Notes to the Financial Statements
for the year ended 30 June 2013

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Note 31: Additional Financial Instruments Disclosure (Cont.)

Reconciliation of Level 3 fair value movements:

	2013 $	2012 $
Balance at the beginning of the year	**2,289,264**	4,382,590
Purchase	**2,999,825**	1,514,265
Redemption of redeemable preference shares	**(2,037,009)**	(3,325,000)
Derecognition on acquisition of controlled entity	**-**	(180,000)
Losses recognised in other comprehensive income	**-**	(861)
Reclassification between level 1	**(250,000)**	(101,730)
Balance at the end of the year	**3,002,080**	2,289,264

Note 32: Events Subsequent to Year End

A final dividend in respect of the year ended 30 June 2013 of 3 cents per share was declared on 30 August 2013 to be paid on 17 September 2013 to those shareholders registered on 10 September 2013.

The value of listed investments in which CVC holds a significant interest are subject to daily price movements both positive and negative. Subsequent to balance date, and to the date of this report, the value of listed investments in which CVC holds a significant interest have increased by more than the ASX All Ordinaries Index for the equivalent period.

Other than as set out above, there are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of CVC, the results of those operations or the state of affairs of CVC in future financial years.

Note 33: Critical Accounting Estimates and Judgements

CVC makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

33.1 LOANS TO OTHER CORPORATIONS

An impairment has been raised against certain loans to other corporations of $76,689 (2012: $76,689) that have a carrying value of $29,873,126 (2012: $38,353,644). The recoverable amount has been assessed in note 9.

33.2 LOANS TO RELATED ENTITIES

CVC has provided a subordinated loan of $770,226 (2012: $947,941) to Concise Asset Management Limited, a boutique fund manager focused on investments in ASX listed entities of which CVC holds a 49% interest and Mr Beard is a director.

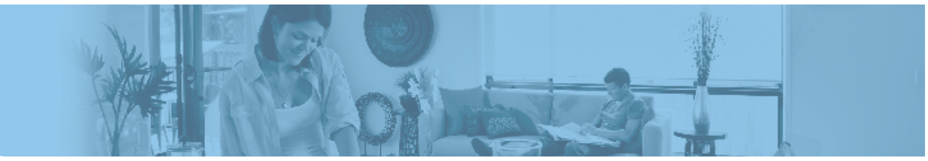
CVC has provided loans of $5,221,992 (2012: $4,985,581) to CVC Wagga Wagga Unit Trust of which an impairment has been raised of $2,541,992 (2012: $2,005,581). The Trust is focused on the development of bulky goods properties which CVC holds a 50% interest and Mr Beard is a director. The recoverable amount has been assessed in note 9.

33.3 TRADE RECEIVABLES

The recoverable value of trade receivables has been assessed in note 9.

33.4 "AVAILABLE-FOR-SALE" INVESTMENTS

The fair value of the investments has been assessed in note 10.



Note 33: Critical Accounting Estimates and Judgements (Cont.)

33.5 INVENTORIES

The fair value of the inventories has been assessed in note 12.

33.6 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD – LISTED INVESTMENTS

The investment in Villa World Limited has a carrying value of $19,968,174 (2012: $11,978,263) and the fair value has been assessed at note 14.

33.7 ABSENCE OF ACTIVE MARKET

In calculating the fair value of Resource Generation Limited (note 10), Mnemon Limited (note 10), Vita Life Sciences Limited (note 10) and Villa World Limited (note 15) CVC has determined that an active market does not exist for significant holdings because each company does not trade on a daily basis; each trade that is executed, excluding those by CVC, is small in size; and the market capitalisation is small such that larger institutions do not hold significant shareholdings. However the active market in small amounts of trading does provide a guide for valuation in that it indicates whether or not the market values the intangible assets of an entity. This factor has been used in determining the valuation of each company.

33.8 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD – UNLISTED INVESTMENTS

The investment Green's Foods Holdings Pty Limited has a carrying value of $11,576,609 (2012: nil) and no impairment recovery was made. CVC has discounted net tangible asset backing to reflect an estimate of the recoverable value of assets of the company to reflect the current trading environment. If the discount is +/- 10% the impact on the carrying value of Green's Foods Holdings Pty Limited is +/- $1,157,661.

CVC Sustainable Investments has a carrying value of $569,100 (2012: $1,511,885) following an impairment charge during the year of $6,154 (2012: $162).

Concise Asset Management Limited has a carrying value of nil.

JAK Investment Group Pty Limited has a carrying value of $40,304 (2012: nil).

Ron Finemore Transport Pty Limited has a carrying value of $13,360,265 (2012: $11,374,045).

Everten Group Pty Limited has a carrying value of $378,838 (2012: $400,000).

CVC Wagga Wagga Unit Trust has a carrying value of nil.

The recoverable amounts have been assessed in note 14.

33.9 PROPERTY, PLANT AND EQUIPMENT

The recoverable value of property, plant and equipment have been assessed in note 16.

33.10 INVESTMENT PROPERTIES

The recoverable value of investment properties have been assessed in note 17.

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Directors' Declaration
for the year ended 30 June 2013

In the opinion of the Directors of CVC Limited:

(a) The financial statements and notes of the consolidated entity are in accordance with *Corporations Act 2001*, including:

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

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

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(d) the audited remuneration disclosures set out on pages 11 to 13 of the Directors' Report comply with Accounting Standards AASB 124 *Related Party Disclosures* and the *Corporations Regulations 2001.*

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with s. 295A of the *Corporations Act 2001* for the financial period ending 30 June 2013.

Dated at Sydney 30 August 2013.

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

VR Gould	**ADH Beard**
Director	*Director*

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Independent Auditor's Report
for the year ended 30 June 2013

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To the members of CVC Limited:

Report on the Financial Report

We have audited the accompanying financial report of CVC Limited ("the Company"), which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the consolidated entity as set out on pages 15 to 68. The consolidated entity comprises 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 CVC Limited are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the consolidated financial report complies with the International Financial Reporting Standards.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its controlled entities' 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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, given to the directors of CVC Limited on 30 August 2013, would be in the same terms if provided to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

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

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

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

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

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 Australian Auditing Standards.

Auditor's Opinion

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

Matters relating to the electronic presentatio of the audited financial report

This auditor's report relates to the financial report of CVC Limited for the financial year ended 30 June 2013 published in the annual report and included on the Company's website. The directors of CVC Limited are responsible for the integrity of the Company's website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

HLB Mann Judd
Chartered Accountants

M D Muller
Partner

Sydney, 30 August 2013

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Corporate Governance Statement
for the year ended 30 June 2013

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The Board of Directors of the Company is responsible for the corporate governance of CVC. The Board is required to act with integrity, honesty, in good faith and in the best interest of the Company as a whole in the execution of its duties including setting, guiding and monitoring the business and affairs of the Company, including risk management, and compliance with regulatory, legal and ethical standards. The Board is responsible for the oversight of reporting to the shareholders by whom they are elected and to whom they are accountable. At the date of this report the Directors in office are as follows:

Vanda Russell Gould	–	Appointed 31 October 1996. Also a Director from 1984 to 1994, member of the audit committee
Alexander Damien Beard *(Managing Director)*	–	Appointed 17 August 2000, member of the audit committee
John Scott Leaver	–	Appointed 29 May 1984
John Douglas Read	–	Appointed 20 March 1989, member of the audit committee

Appointment to the Company and the Board is dependant on skills, experience and other qualifications rather than solely on achieving a pre-specified diversity target. Details of skills, experience and other qualifications of Directors, including numbers and attendances of Board and audit committee meetings, are included in the Directors' Report. Given the size and scale of the organisation the Board of Directors have not adopted a policy and measurable targets in relation to diversity but notes that currently 50% of the Company's employees are women.

The Board considers that CVC seeks to comply, where appropriate, with the Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council. Where CVC does not comply, this is primarily due to the current size, scale and nature of the operations. The Council recognises that "a one size fits all" approach may be inappropriate. Companies are at liberty to determine whether each recommendation is appropriate. Different companies face different circumstances hence some recommendations are unnecessary or may even be counter-productive. In particular it acknowledged that it may be inappropriate or uneconomic for smaller companies, such as CVC, to follow the same rules as Australia's largest listed companies. The Council has issued recommendations and require companies to adopt an 'if not why not' approach to reporting compliance, requiring companies to identify the recommendations that have not been followed and give reasons for not following them.

The Company chose to adopt selected recommendations throughout the financial year ended 30 June 2013, in particular those discussed in detail below:

Board Composition and Directors' Experience

The Board of the Company comprises four Directors.

The Chairman is responsible for leading the Board, ensuring the Board's activities are organised and efficiently conducted and for ensuring Directors are properly briefed for meetings.

Messrs Gould and Leaver are the founding Directors of the Company, have significant ownership interests in the Company and bring invaluable experience and expertise to the Company.

The Managing Director is responsible for the management and operation of the Company. Those powers not specifically reserved to the Board and which are required for the management and operation of the Company, are conferred on the Managing Director.

Mr Read is chairman of the audit committee, but because he has been on the Board of the Company for more than twenty years, he is not considered independent. Further information in relation to the audit committee can be found in the Directors Report to the financial report.

The Board believes that the current structure of the Board operates effectively and efficiently, allowing the Board to collectively exercise its authority without the need for many sub-committees and is appropriate for the size of the Company.

For these reasons, the Company did not adopt the following recommendations throughout the financial year ended 30 June 2013:

- having a majority of independent Directors;
- having an independent Chairman;
- having an audit committee with an independent chairman, a majority of independent Directors or non-executive Directors;
- having a nomination committee of the Board;
- having a remuneration committee of the Board; and
- having a policy and measurable targets to achieve gender diversity.

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Costs and Benefits of Compliance

A number of the recommendations require the formal documentation of policies and procedures that the Company already substantially performs. The Company considered that to create such documentation independently and specifically for the Company, and create separate Boards and sub-committees to satisfy the requirements of the Corporate Governance Principles and Recommendations would have had minimal additional benefit but substantial additional expense. The Company is also mindful to not adopt such procedures and structures solely for the sake of adoption or where they could actually inhibit the proper function or development of the Company.

The Board has determined that the adoption of such formal policies and procedures must be tailored to the Company at minimal expense and must be appropriate for the Company, taking into account the size and complexity of its operations. The Company is currently considering the adoption and implementation of the following recommendations:

- a formal charter for the audit committee of the Company;
- written policies and procedures to ensure compliance with ASX listing rules disclosure requirements;
- a process for performance evaluation of the Board, its committees and individual Directors; and
- a code of conduct.

Other Information

The Company has a policy of allowing Directors to take reasonable independent legal advice in the furtherance of their duties at the expense of the Company.

The Board, in conjunction with the Audit Committee, is responsible for ensuring that there is an adequate oversight and management of material business risks facing the Company. The Board ensures that there are appropriate systems in place to identify, assess, monitor and manage market, operational and compliance risks. This is achieved via a strong control environment, accountability and review of risk profiles.

In respect of the year ended 30 June 2013, the Managing Director and the Chief Financial Officer have provided certifications to the Board in relation to the presentation of the financial reports and the operation of the risk management and internal control system.

The Company did not perform a performance evaluation of the Board and its members during the year ended 30 June 2013.

When applicable, remuneration of non-executive Directors is in accordance with resolutions of shareholders in the general meeting. The Company does not have any schemes for retirement benefits, other than statutory superannuation for non-executive Directors. The details of remuneration paid to Directors are disclosed in the Remuneration Report.

In accordance with the ASX Continuous Disclosure requirements, the Company ensures that price sensitive information is released to the market on a timely basis including through the annual and half-yearly reports. Additional information regarding the operation of CVC can be found at www.cvc.com.au, by contacting the Company directly or by attending the annual general meeting.

Additional Information
for the year ended 30 June 2013

The following information was current as at 26 August 2013.

Distribution schedule

The distribution of shareholders and their shareholdings was as follows:

Category (size of holding)	Number of ordinary shareholders
1 – 1,000	146
1,001 – 5,000	312
5,001 – 10,000	186
10,001 – 100,000	269
100,001 – over	80
Total	**993**

Unmarketable parcels	Minimum parcel size	Number of shareholders
Minimum $500.00 parcel at $1.06 per share	472	70

On market share buy-back

The Company has a current on market share buy-back which commenced on 26 November 2012.

Substantial holders

The names of the Company's substantial holders and the number of ordinary shares in which each has a relevant interest as disclosed in substantial holder notices given to the Company are as follows:

Shareholder	Number of ordinary shares in which interest held
Leagou Pty Limited	20,704,611
Southsea (Aust.) Pty Limited	17,610,506
Bennett Estates Limited	15,575,978
Derrin Brothers Properties Limited	7,899,259
Executive Recruitment Services Limited	6,661,235

20 largest shareholders - ordinary shares

As at 26 August 2013, the top 20 shareholders and their shareholdings were as follows:

Shareholder	Shares held	% of issued capital held
Leagou Pty Limited	20,704,611	17.07
Southsea (Aust.) Pty Limited	17,610,506	14.52
Bennett Estates Limited	15,575,978	12.84
Derrin Brothers Properties Limited	7,899,259	6.51
Executive Recruitment Services Limited	6,661,235	5.49
J K M Securities Pty Limited	5,650,000	4.66
Southgate Investment Funds Limited	5,500,000	4.54
Chemical Trustee Limited	4,861,741	4.01
Saudi Film Investments Fund Limited	3,264,711	2.69
Lloyds & Casanove Investment Partners Limited	2,432,568	2.01
Warman Investments Pty Limited	1,250,000	1.03
Mr Nigel Cameron Stokes	1,017,271	0.84
Mr Alexander Beard	1,014,136	0.84
Dr Raymond Joseph Healey	808,817	0.67
Wenola Pty Limited	805,000	0.66
LJK Investments Pty Limited	800,000	0.66
Wenola Pty Limited	700,000	0.58
Melbourne Corporation of Australia Pty Limited	578,608	0.48
Ms Valerie May Vogt	560,678	0.46
Allan J Heasman Pty Limited	505,100	0.42
	98,200,219	**80.98**

Voting Rights

The Company's constitution details the voting rights of members and states that every member, present in person or by proxy, shall have one vote for every ordinary share registered in his or her name.

Registered Office

The Company is registered and domiciled in Australia. Its registered office and principal place of business are at Level 42, 259 George St, Sydney NSW 2000.

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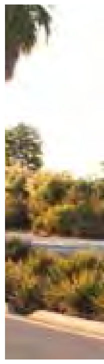

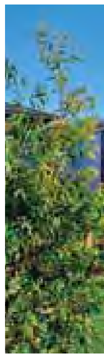

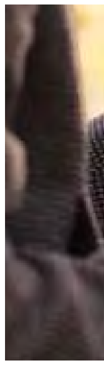

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Design – Kettle of Fish Design

Printed on Maine Recycled Silk