



Vertua Limited (previously known as Property Fox No. 2 Limited)

ACN 108 076 295

Interim Financial Report

Half year ended 31 December 2011

Contents

	Page
Directors' report	1
Auditor's independence declaration	2
Statement of comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Cash flow statement	6
Notes to the financial statements	7
Directors' declaration	9
Independent review report	10

Directors' report

Your directors present their report on the Group for the half year ended 31 December 2011.

Directors

The names of directors in office at any time during or since the end of the half year are:

- Peter John Spann
- Benjamin Doyle
- Howard Woolcott
- Peter Conway (resigned 21st February 2012)

Directors have been in office to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the Group during the period were the investment, either directly or through a subsidiary, in parcels of residential real estate in accordance with the real estate mandate of the Group.

Review of Operations

The Group was active in its pursuit of its principal activities during the period.

The net loss for the Group for the half year ended 31 December 2011 before income tax amounted to \$234,333 (half year ended 2010: Loss \$31,091).

On 9th December 2011 the Group lodged a Prospectus with the Australian Securities and Investment Commission to raise up to \$3,000,000 at 25 cents per share. The Company issued a second supplementary prospectus on 17th February 2012 to extend the closing date to 11th May 2012. Additional capital is being raised pursuant to this document, which will be used in the Company's operating activities.

During the period the Group continued to work on plans for the development of its properties in Toowoomba and on 22nd December 2011 received approval from Toowoomba Regional Council for the development of 86 home units and 1,100 square metres of commercial space.

On 10th October 2011 the Group changed its name to Vertua Limited previously known as Property Fox No. 2 Limited following approval by the shareholders at the Annual General Meeting held on 7th October 2011.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 2 for the half year ended 31 December 2011.

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



Benjamin Doyle
Managing Director
Dated 13th March 2012.

AUDITOR'S INDEPENDENCE DECLARATION**TO THE DIRECTORS OF VERTUA LIMITED & ITS
CONTROLLED ENTITY (FORMERLY KNOWN AS
PROPERTY FOX NO.2 LIMITED)**

Ground Floor
102 Adelaide Street
Brisbane
Queensland 4000
GPO Box 1008
Brisbane
Queensland
4001
T + 61 7 3222 0200
F + 61 7 3222 0444
E info.qld@au.gt.com
W www.grantthornton.com.au

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Vertua Limited & Its Controlled Entity for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been:

- 1 No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- 2 No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M S Bell
Partner - Audit & Assurance

Brisbane, Dated 13th March 2012

Statement of Comprehensive Income

For the half year ended 31 December 2011

	Note	31 Dec 2011 \$	31 Dec 2010 \$
Revenue from ordinary activities	2	75,567	331,023
Management fees		(75,625)	(72,519)
Other professional fees		(24,854)	(61,575)
Directors fees		(33,000)	(33,000)
Group secretarial fees		(9,900)	(16,500)
Share registry fees		(9,815)	(6,273)
Finance costs		(52,537)	(68,965)
NSX listing costs		(6,015)	(6,957)
Property costs		(29,855)	(40,694)
Advertising and promotion		(47,683)	-
Other expenses from ordinary activities		(20,616)	(55,631)
Net profit/(loss) before income tax expense		(234,333)	(31,091)
Income tax (expense) / benefit		-	-
Net profit / (loss) for the period		(234,333)	(31,091)
Other comprehensive income		-	-
Total comprehensive income /(loss) for the period		(234,333)	(31,091)
Overall Operations:			
Basic & diluted earnings per share (cents per share)		(\$0.037)	(\$0.005)

The accompanying notes form part of these financial statements

Statement of Financial Position

As at 31 December 2011

	31 Dec 2011	30 June 2011
	\$	\$
Current assets		
Cash and cash equivalents	64,840	301,643
Non current assets held for sale	-	148,560
Other current assets	20,702	9,361
Total current assets	85,542	459,564
Non current assets		
Inventory	3,277,507	3,207,371
Total non current assets	3,277,507	3,207,371
Total assets	3,363,049	3,666,935
Current liabilities		
Trade and other payables	89,308	40,000
Short term borrowings	1,190,000	1,280,338
Total current liabilities	1,279,308	1,320,338
Non Current liabilities		
Long term borrowings	-	-
Total non current liabilities	-	-
Total liabilities	1,279,308	1,320,338
Net assets	2,083,741	2,346,597
Equity		
Contributed equity	4,426,066	4,454,589
Retained profits/(accumulated losses)	(2,342,325)	(2,107,992)
Total equity	2,083,741	2,346,597

The accompanying notes form part of these financial statements

Statement of changes in equity

For the half year ended 31 December 2011

	A Class Share Capital	Retained profits/ Accumulated Losses	Asset Revaluation Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2010	4,068,708	(1,824,437)	259,815	2,504,086
Comprehensive income/(loss)	-	(31,090)	-	(31,090)
Costs associated with rights issue	(47,529)	-	-	(47,529)
Asset revaluation reserve transferred to retained earnings	-	259,815	(259,815)	-
Sub total	4,021,179	(1,595,712)	-	2,425,467
Dividends paid or provided for	-	-	-	-
Balance at 31 December 2010	4,021,179	(1,595,712)	-	2,425,467
 Balance at 1 July 2011	 4,454,589	 (2,107,992)	 -	 2,346,597
Comprehensive income/(loss)	-	(234,333)	-	(234,333)
Subscriptions pending issue of shares	25,000	-	-	25,000
Costs associated with Prospectus	(53,523)	-	-	(53,523)
Sub total	4,426,066	(2,342,325)	-	2,083,741
Dividends paid or provided for	-	-	-	-
Balance at 31 December 2011	4,426,066	(2,342,325)	-	2,083,741

The accompanying notes form part of these financial statements

Cash flow statement

For the half year ended 31 December 2011

	31 Dec 2011	31 Dec 2010
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Investment income	72,095	102,183
Payments to suppliers and directors	(209,019)	(327,812)
Payments for financing costs	(52,914)	(68,965)
Net (payments) / receipts for/from real property related investments	68,424	830,309
Interest Received	3,472	-
Net cash provided by (used in) operating activities	(117,942)	535,715
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash provided by (used in) investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital raised pursuant to prospectus	25,000	-
Capital raising costs	(53,523)	(47,529)
Repayment of debt	(90,338)	-
Net cash provided by (used in) financing activities	(118,861)	(47,529)
Net increase/(decrease) in cash held	(236,803)	488,186
Cash at beginning of period	301,643	50,797
Cash at end of period	64,840	538,983

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the half year ended 31 December 2011

Note 1: Basis of Preparation

This general purpose financial report for the interim half year reporting period ended 31 December 2011 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Vertua Limited previously known as Property Fox No. 2 Limited during the interim reporting period in accordance with the continuous disclosure requirements of the National Stock Exchange and the Corporations Act 2001.

The interim financial report has been approved and authorised for issue by the board of directors on 13 March 2012.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards:

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Going concern

The interim financial report has been prepared on a going concern basis which assumes the Company will continue to pay its debts as and when they fall due.

At 31 December 2011 current liabilities exceeded current assets by \$1,193,766. This is largely due to the classification of \$1,190,000 of bank debt as a current liability as the facility expired in February 2012. This facility was renewed after balance date on the 3rd February 2012. Refer note 4 for further details.

The Group's material property asset has been classified as a non current inventory of \$3,277,507.

On 9th December 2011 the Group lodged a Prospectus with the Australian Securities and Investment Commission to raise up to \$3,000,000 at 25 cents per share. The Company issued a second supplementary prospectus on 17th February 2012 to extend the closing date to 11th May 2012. Additional capital is being raised pursuant to this document, which will be used in the Company's operating activities.

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

Amendment to AASB 101 Presentation of Financial Statements

The amendment provides a choice of presenting the reconciliations for each component of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The Group continues to present such reconciliations in the Consolidated Statement of Changes in Equity.

Amendments to AASB 134 Interim Financial Reporting

The amendments clarified certain disclosures relating to events and transactions that are significant to an understanding of changes in the Group's circumstances since the last annual financial statements. The Group's interim financial statements as of 31 December 2011 reflect these amended disclosure requirements, where applicable.

Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2011.

	31 December 2011	31 December 2010
	\$	\$
Note 2: Profit from ordinary activities		
Operating revenue:		
Rental income	71,644	93,817
Interest received	3,472	1,374
Other income	451	6,992
Profit on sale of properties	-	228,840
	75,567	331,023

Note 3: Segment Information

The Group operates as an investment Group acquiring and developing either directly or indirectly, parcels of residential real estate in accordance with the Group's real estate mandate. The Group currently operates in South East Queensland.

Note 4: Events Subsequent to Reporting Date

The Group renewed its banking facilities on comparable terms on 3rd February 2012. The facility has been extended to 28th February 2015.

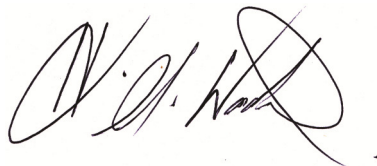
The Company issued a second supplementary prospectus on 17th February 2012 to extend the closing date of its October 2011 document to 11th May 2012. Additional capital is being raised pursuant to this document, which will be used in the Company's operating activities.

Directors' declaration

The directors of the Company declare that:

1. The consolidated financial statements and notes, as set out on pages 3 - 8
 - a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001; and
 - b) give a true and fair view of the Group's financial position as at 31 December 2011 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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



Howard Woolcott
Director
Dated this 13th March 2012



INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF VERTUA LIMITED & ITS CONTROLLED ENTITY (FORMERLY KNOWN AS PROPERTY FOX NO.2 LIMITED)

Ground Floor
102 Adelaide Street
Brisbane
Queensland 4000
GPO Box 1008
Brisbane
Queensland
4001
T + 61 7 3222 0200
F + 61 7 3222 0444
E info.qld@au.gt.com
W www.grantthornton.com.au

We have reviewed the accompanying half-year financial report of Vertua Limited & Its Controlled Entity ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising both the Company and the entity it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Vertua Limited & Its Controlled Entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Vertua Limited & Its Controlled Entity is not in accordance with the Corporations Act 2001, including:

- 1 Giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- 2 Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M S Bell
Partner - Audit & Assurance

Brisbane, Dated 13th March 2012