



Vertua Limited ACN 108 076 295

Interim Financial Report

Half year ended 31 December 2012

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Directors' report

Your directors present their report on the Group for the half year ended 31 December 2012.

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

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 2012 before income tax amounted to \$984,161 (half year ended 2011: Loss \$234,333), the majority of this loss being attributed to an impairment of \$800,000 against its properties which are classified as inventory.

During the period the Group marketed its Toowoomba properties for sale with the Development Application obtained from Toowoomba Regional Council. After a sustained period of marketing no acceptable offers for the property being sold in one line were received and the Group began selling the properties individually. At the date of this report five properties had been sold for a gross sale price of \$1,069,000. Two of the remaining three properties are blocks of flats, which are the most valuable of the eight properties that were held.

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 2012.

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

A handwritten signature in dark ink, appearing to read 'B Doyle', with a stylized flourish at the end.

Benjamin Doyle
Managing Director
Dated 5th March 2013

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**Auditor's Independence Declaration
To The Directors of Vertua Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Vertua Limited for the half-year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b 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, 5 March 2013

Statement of Comprehensive Income

For the half year ended 31 December 2012

	Note	31 Dec 2012 \$	31 Dec 2011 \$
Revenue from ordinary activities	2	79,007	75,567
Management fees		(68,521)	(75,625)
Other professional fees		(31,211)	(24,854)
Directors fees		(22,000)	(33,000)
Group secretarial fees		(9,900)	(9,900)
Share registry fees		(8,260)	(9,815)
Finance costs		(55,419)	(52,537)
NSX listing costs		(8,652)	(6,015)
Property costs		(44,355)	(29,855)
Advertising and promotion		-	(47,683)
Other expenses from ordinary activities		(14,850)	(20,616)
Inventory write down	3	(800,000)	-
Net profit/(loss) before income tax expense		(984,161)	(234,333)
Income tax (expense) / benefit		-	-
Net profit / (loss) for the period		(984,161)	(234,333)
Other comprehensive income		-	-
Total comprehensive income /(loss) for the period		(984,161)	(234,333)
Overall Operations:			
Basic & diluted earnings per share (cents per share)		(\$0.116)	(\$0.037)

The accompanying notes form part of these financial statements

Statement of Financial Position

As at 31 December 2012

	31 Dec 2012	30 June 2012
	\$	\$
Current assets		
Cash and cash equivalents	92,407	196,449
Other current assets	4,845	-
Inventory	1,933,032	-
Total current assets	<u>2,030,284</u>	<u>196,449</u>
Non current assets		
Inventory	573,702	3,300,937
Total non current assets	<u>573,702</u>	<u>3,300,937</u>
Total assets	<u>2,603,986</u>	<u>3,497,386</u>
Current liabilities		
Trade and other payables	197,217	106,456
Short term borrowings	1,000,000	-
Total current liabilities	<u>1,197,217</u>	<u>106,456</u>
Non Current liabilities		
Long term borrowings	390,000	1,390,000
Total non current liabilities	<u>390,000</u>	<u>1,390,000</u>
Total liabilities	<u>1,587,217</u>	<u>1,496,456</u>
Net assets	<u>1,016,769</u>	<u>2,000,930</u>
Equity		
Contributed equity	4,546,898	4,546,898
Retained profits/(accumulated losses)	(3,530,129)	(2,545,968)
Total equity	<u>1,016,769</u>	<u>2,000,930</u>

The accompanying notes form part of these financial statements

Statement of changes in equity

For the half year ended 31 December 2012

	A Class Share Capital	Retained profits/ Accumulated Losses	Total
	\$	\$	\$
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
 Balance at 1 July 2012	 4,546,898	 (2,545,968)	 2,000,930
Comprehensive income/(loss)	-	(984,161)	(984,161)
Sub total	4,546,898	(3,530,129)	(1,016,769)
Dividends paid or provided for	-	-	-
Balance at 31 December 2012	4,546,898	(3,530,129)	(1,016,769)

The accompanying notes form part of these financial statements

Statement of cash flows

For the half year ended 31 December 2012

	31 Dec 2012	31 Dec 2011
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Investment income	76,753	72,095
Payments to suppliers and directors	(121,832)	(209,019)
Payments for financing costs	(55,419)	(52,914)
Net (payments) / receipts for/from real property related investments	(5,797)	68,424
Interest Received	2,253	3,472
Net cash provided by (used in) operating activities	(104,042)	(117,942)
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)
Repayment of debt	-	(90,338)
Net cash provided by (used in) financing activities	-	(118,861)
Net increase/(decrease) in cash held	(104,042)	(236,803)
Cash at beginning of period	196,449	301,643
Cash at end of period	92,407	64,840

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the half year ended 31 December 2012

Note 1:

Nature of operations

The Group's principal activities include the acquisition and development of real estate. Its real estate holding was eight contiguous properties situated in Toowoomba Queensland. After 31 December 2012 the Group entered into contracts for the sale of five of these properties and at the date of this report these had been settled. Two of the remaining properties will be marketed for sale and the remaining property is being held pending the evaluation of its development potential.

Basis of Preparation

This general purpose financial report for the interim half year reporting period ended 31 December 2012 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 2012 and any public announcements made by Vertua 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 5th February 2013.

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.

The Group's material property asset has been classified as current inventory of \$1,933,032 and non current inventory of \$573,702 making a total of \$2,506,734. Some of the properties have been listed for sale and the net proceeds should exceed the mortgage debt and provide sufficient working capital for the future. Therefore the directors conclude that there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

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 2012.

31 December 2012 31 December 2011

\$

\$

Note 2: Profit from ordinary activities

Operating revenue:

Rental income	73,856	71,644
Interest received	2,253	3,472
Other income	2,898	451

79,007

75,567

Note 3: Significant events and transactions

The properties at Toowoomba were not sold with the development approval received by the Group as no acceptable offers were received. Therefore the properties were marketed as individual sales (see Note 5 below), which has resulted in a write down of the carrying values of \$800,000.

Note 4: 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 5: Events Subsequent to Reporting Date

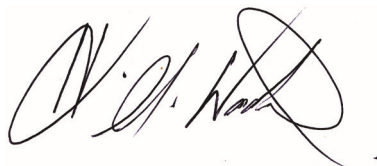
In January 2013, the Group executed contracts for the sale of five of the properties it owns in Toowoomba. The directors are reviewing the development potential of the remaining properties.

Directors' declaration

In the opinion of the directors of Vertua Limited:

1. the consolidated financial statements and notes of Vertua Limited are in accordance with the *Corporations Act 2001*, including
 - a) giving a true and fair view of its financial position as at 31 December 2012 and of its performance for the half year ended on that date; and
 - b) complying with Accounting Standard AASB 134: *Interim Financial Reporting*, and
2. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

A handwritten signature in black ink, appearing to read 'H. Woolcott', with a large, stylized circular flourish at the end.

Howard Woolcott
Director
Dated this 5th March 2013

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Independent Auditor's Review Report To the Members of Vertua Limited

We have reviewed the accompanying half-year financial report of Vertua Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities 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 Vertua Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Vertua Limited consolidated entity's financial position as at 31 December 2012 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, 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 is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- b 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, 5 March 2013