



VERTUA



## DIRECTORS' REPORT

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The Directors of Vertua Ltd ('Vertua') present their Report together with the financial statements of the Consolidated Entity, being Vertua ('the Company') and its Controlled Entities ('the Group') for the half-year ended 30 September 2015.

### DIRECTOR DETAILS

The following persons were Directors of Vertua during or since the end of the financial half-year:

- Mr Christopher Bregenhøj
- Mr Benjamin Doyle
- Mr James Manning

### REVIEW OF OPERATIONS AND FINANCIAL RESULTS

The Board feels that the company is in a good position for the next 6 month period. In the past 6 months the company has held its AGM, which dealt with the special business associated with the acquisition of the Horizon Print Management business.

The operating result of the Group has been positive for the first time in the company's history, with a profit of \$123,297 (2014 -\$192,167 loss). This is due to the acquisition by Vertua Investments of the Horizon Print Management business in March 2015 and the successful completion of the project at Lane Cove, NSW in May 2015.

Earnings per share have increased to 1.25 cents per share (2014 -2.27 cents per share), which is a nice turn around for the group. The company continues to be constrained by its limited capital base and the Board is currently viewing strategies to resolve this issue in the long run.

No capital was raised during the period. The board committed to a property development in Homebush, NSW, which is a block of residential apartments. This investment is in conjunction with the team at Fiducia who managed the successful Lane Cove project.

Post balance date, the board announced that the company had entered into an agreement to buy Joe Public Holdings Pty Ltd, which owns a variety of development projects as well as the Fiducia business. The board believes that this will enable Vertua to complete its original goal of being a true property development company with the skills in house to enable this. This acquisition is subject to shareholder approval.

A copy of the Auditor's Independence Declaration as required under s307C of the Corporations Act 2001 is included on page 4 of this financial report and forms part of this Directors Report.

Signed in accordance with a resolution of the Directors.



Christopher Bregenhøj  
Chairman

27 November 2015

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## AUDITOR'S INDEPENDENCE DECLARATION



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### **Auditor's Independence Declaration To The Directors of Vertua Limited and its controlled entities**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Vertua Limited and its controlled entities for the half-year ended 30 September 2015, 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.

A stylized, handwritten signature in purple ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A handwritten signature in purple ink that reads "CDJ Smith".

CDJ Smith  
Partner - Audit & Assurance

Brisbane, 27 November 2015

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## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTH PERIOD ENDED 30 SEPTEMBER 2015

	NOTE	6 MONTHS TO 30/09/2015 (\$)	6 MONTHS TO 30/09/2014 (\$)
Revenue		8,637,333	691,183
Other Income		60,698	-
Cost of sales		(7,789,366)	(600,405)
Gross profit		908,665	90,778
Management fees		(30,000)	-
Directors fees		(28,487)	(33,478)
Finance costs		(77,470)	-
Professional fees		(233,117)	(196,837)
Property costs		(19,023)	(923)
Advertising and Promotion		(9,246)	-
Other expenses from ordinary activities		(113,665)	(51,707)
Employee Costs		(234,246)	-
Depreciation and amortisation		(2,014)	-
Profit / (loss) from ordinary activities before income tax expense		161,397	(192,167)
Income tax (expense) / benefit relating to ordinary activities		(38,100)	-
Net profit / (loss) from ordinary activities after related income tax benefit		123,297	(192,167)
Other comprehensive income		-	-
Total comprehensive income		123,297	(192,167)
CONTINUING OPERATIONS			
Basic loss per share (cents per share)	8	125	(227)
Diluted loss per share (cents per share)	8	125	(227)

The accompanying notes form part of these financial statements

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

	NOTE	30 SEPTEMBER 2015 (\$)	31 MARCH 2015 (\$)
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		266,236	351,879
Accounts receivable		2,239,230	3,570,117
Inventory & work in progress		378,272	3,075,373
Prepayments		19,023	9,726
Sundry debtors		29,631	132,082
Total current assets		2,932,392	7,139,177
<b>NON CURRENT ASSETS</b>			
Property, plant + equipment		28,049	16,015
Deferred tax asset		158,400	196,500
Investments		500,000	-
Intangible assets	7	1,004,184	1,004,184
Total non current assets		1,690,633	1,216,699
<b>TOTAL ASSETS</b>		<b>4,623,025</b>	<b>8,355,876</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,179,751	2,251,426
Borrowings		343,935	1,983,652
Employee benefits provisions		40,273	35,872
Deferred settlement liability		-	55,000
Deferred income		-	2,099,788
Total current liabilities		2,563,959	6,425,738
<b>NON CURRENT LIABILITIES</b>			
Borrowings		1,110,890	1,105,259
Total non current liabilities		1,110,890	1,105,259
<b>TOTAL LIABILITIES</b>		<b>3,674,849</b>	<b>7,530,997</b>
<b>NET ASSETS</b>		<b>948,176</b>	<b>824, 879</b>
<b>EQUITY</b>			
Contributed equity	10	4,704,398	4,704,398
Retained profits (accumulated losses)		3,756,222	(3,879,519)
<b>TOTAL EQUITY</b>		<b>948,176</b>	<b>824,879</b>

The accompanying notes form part of these financial statements

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 6 MONTH PERIOD ENDED 30 SEPTEMBER 2015

	NOTE	6 MONTHS TO 30/09/2015 (\$)	6 MONTHS TO 30/09/2014 (\$)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Revenue from ordinary activities		8,609,617	760,301
Payments to suppliers, directors and director related entities		(6,469,656)	(1,933,739)
Payments for finance costs		(36,839)	-
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES		2,103,122	(1,173,438)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for fixed assets		(14,048)	-
Payments for investments		(350,000)	-
NET CASH PROVIDED BY/ (USED IN) INVESTING ACTIVITIES		(364,048)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in borrowings		-	890,059
Repayment of borrowings		(1,824,717)	-
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		(1,824,717)	890,059
NET DECREASE IN CASH AND CASH EQUIVALENTS HELD		(85,643)	(283,379)
Cash and cash equivalents at the beginning of the financial period		351,879	400,122
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD		266,236	116,743

The accompanying notes form part of these financial statements

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 SEPTEMBER 2015

### FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2014

	A CLASS (\$)	RETAINED PROFITS / ACCUMULATED LOSSES (\$)	TOTAL(\$)
BALANCE AT 31ST MARCH 2014	4,618,534	(3,707,264)	911,270
Total comprehensive income	-	(192,167)	(192,167)
Sub total	4,618,534	(3,899,431)	719,103
Dividends paid or provided for	-	-	-
Shares Issued	-	-	-
BALANCE AT 30TH SEPTEMBER 2014	4,618,534	(3,899,431)	719,103

### FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2015

	A CLASS (\$)	RETAINED PROFITS / ACCUMULATED LOSSES (\$)	TOTAL(\$)
BALANCE AT 31ST MARCH 2015	4,704,398	(3,879,519)	824,879
Total comprehensive income	-	123,297	123,297
Sub total	4,704,398	(3,756,222)	948,176
Dividends paid or provided for	-	-	-
Shares Issued	-	-	-
BALANCE AT 30TH SEPTEMBER 2015	4,704,398	(3,756,222)	948,176

## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2015

### 1 NATURE OF OPERATIONS

Vertua Ltd and Subsidiaries' ('the Group') principal activities include the development of residential property and print brokerage.

The principal activities of the Group during the period were the development and sale of, directly or through a subsidiary or joint venture, parcels of residential real estate in accordance with the real estate mandate of the Group. Vertua Investments Ltd, the wholly owned subsidiary of Vertua entered into a transaction to acquire Horizon Print Management Pty Ltd ('Horizon') on the 27/02/2015, which operates a print brokerage business. Accordingly the secondary activity of the Group is that of a print broker. Refer to Note 6 for further information about the Groups operating segments.

### 2 GENERAL INFORMATION AND BASIS OF PREPARATION

The condensed interim consolidated financial statements ('the interim financial statements') of the Group are for the six (6) months ended 30 September 2015 and are presented in Australian Dollars (\$AUD), which is the functional currency of the Parent Company. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the period ended 31 March 2015 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 27 November 2015.



## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2015 (CONTINUED)

### 3 SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the period ended 31 March 2015.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

### 4 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 31 March 2015.

### 5 SIGNIFICANT EVENTS AND TRANSACTIONS

The company settled all the sales associated with the project at Lane Cove. Post the receipt of settlement fund, the Company entered into a new project in Homebush. This project is being managed by Fiducia Group.

The Horizon business continues to perform well and in line with the original acquisition model. The Directors are currently looking at initiatives to expand the business.

### 6 SEGMENT REPORTING

Management identifies its operating segments based on the Group's core business functions, which represent the main products and services developed or provided by the Group. The Group's two (2) main operating segments are:

- Printing: engaged in the procurement and management of print for third party clients
- Property: undertaking commercial and residential property development in NSW and QLD

Each of these operating segments is managed separately as each business requires different technologies and resources, as well as marketing approaches. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

In addition, one (1) minor operating segments, for which the quantitative thresholds for separate disclosures have not been met, is currently combined below under 'other'. The main sources of revenue for this operating segments is interest and other non-core transactions.

During the six (6) month period to 30 September 2015, there have been no changes from the segmentation first adopted in the accounts to 31 March 2015, in both the measurement methods used to determine operating segments and reported segment profit or loss. We note that segmentation was not used in the 6-month period ending 30 September 2014, accordingly those numbers are not presented.

The revenues and profit generated by each of the Group's operating segments and segment assets are summarised as follows:

## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2015 (CONTINUED)

6 MONTHS TO 30/09/2015	PRINTING (\$)	PROPERTY (\$)	OTHER (\$)	TOTAL (\$)
<b>REVENUE</b>				
Revenue	5,730,800	2,906,533	-	8,637,333
Other	-	-	60,698	60,698
<b>SEGMENT REVENUES</b>				
Cost of sales	(5,149,039)	(2,640,327)		(7,789,366)
Management fees	(30,000)	-		(30,000)
Director fees	-	-	(28,487)	(28,487)
Finance costs	(1,975)	-	(75,495)	(77,470)
Professional fees	(59,512)	-	(173,605)	(233,117)
Property costs	(16,825)	(2,198)	-	(19,023)
Advertising and Promotion	(404)	(8,842)	-	(9,246)
Other expenses	(90,327)	-	(23,338)	(113,665)
Depreciation and amortisation expense	(2,014)	-	-	(2,014)
Employee costs	(234,246)	-	-	(234,246)
SEGMENT OPERATING PROFIT/(LOSS)	146,458	255,166	(240,227)	161,397
SEGMENT ASSETS 2015	3,545,422	509,079	568,524	4,623,025
SEGMENT LIABILITIES 2015	3,344,302	150,000	180,547	3,674,849

### 7 INTANGIBLE ASSETS

The following table shows the movements in intangible assets

	AS AT 30/09/2015 (\$)	AS AT 31/3/2015 (\$)
Goodwill	1,004,184	1,004,184

CONSOLIDATED	GOODWILL(\$) HORIZON	TOTAL (\$)
Balance at 31 March 2015	1,004,184	1,004,184
Addition through business combination	-	-
Impairment of assets	-	-
Amortisation expense	-	-
Balance at 30 September 2015	1,004,184	1,004,184

The goodwill reflects the acquisition of the Horizon Print Management Pty Ltd business, which continues to perform in line with the company's original acquisition model.

## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2015 (CONTINUED)

### 8 EARNINGS PER SHARE

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the Parent Company (Vertua Ltd) as the numerator.

	SIX (6) MONTHS TO 30/09/2015 (\$)	SIX (6) MONTHS TO 30/09/2014 (\$)
Earnings/(loss) used in the calculation of earnings per share is the net profit after tax	123,297	-192,167
Weighted average number of ordinary shares outstanding during the half year used in calculating basic and diluted EPS	9,873,275	8,473,275

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2015 (CONTINUED)

10 SHARE CAPITAL	SIX (6) MONTHS TO 30 SEPTEMBER 2015		NINE (9) MONTHS TO 31 MARCH 2015	
	NUMBER OF SHARES	(\$)	NUMBER OF SHARES	(\$)
Shares issued and fully paid:				
Beginning of the period	9,873,275	4,704,398	8,473,275	4,546,898
Issued under share based payments	-	-	150,000	7,500
Issued on conversion of options	-	-	1,250,000	150,000
Shares issued and fully paid	9,873,275	4,704,398	9,873,275	4,704,398
Shares authorised for share based payments	-	-	-	-
Total shares authorised at the end of the period	9,873,275	4,704,398	9,873,275	4,704,398

Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the Group does not have authorised capital or par value in respect of its issued shares.

"A" Class shares participate in 100% of any dividends declared and 100% of the proceeds on winding up in proportion to the number of shares held. At shareholders meetings each "A" Class share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

### 11 DIVIDENDS

No dividends have been declared or paid for this financial period.

### 12 CONTINGENT LIABILITIES

There are no contingent liabilities in the current accounting period.

### 13 EVENTS AFTER THE REPORTING DATE

1. On 27 November 2015 the financial statements were authorised by a resolution of the board of directors.

2. On 15 October 2015 both Vertua Limited & Vertua Investments Limited entered into an agreement to acquire all the shares in Joe Public Holdings Pty Ltd for a consideration of \$6 million. The details of the transaction were made public in an announcement of the same date, and the transaction is subject to shareholder approval which is set for an EGM in December 2015.

There were no other events subsequent to reporting date to bring into account in the 30 September 2015 financial report.

## DIRECTORS' DECLARATION

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In the opinion of the Directors of Vertua Ltd:

- a The consolidated financial statements and notes of Vertua Ltd are in accordance with the Corporations Act 2001, including:
  - i Giving a true and fair view of its financial position as at 30 September 2015 and of its performance for the half-year ended on that date; and
  - ii Complying with Accounting Standard AASB 134 Interim Financial Reporting; and
- b There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Director

Christopher Bregenhoj

Dated the 27th day of November 2015

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## INDEPENDENT AUDIT REPORT



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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 30 September 2015, and the statement of profit or loss and other 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 30 September 2015 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.

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## INDEPENDENT AUDIT REPORT (CONTINUED)



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 30 September 2015 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.

A handwritten signature in blue ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A handwritten signature in blue ink that reads "CDJ Smith".

CDJ Smith  
Partner - Audit & Assurance

Brisbane, 27 November 2015

**DIRECTORS**

Christopher Bregenhøj

Benjamin Doyle

James Manning

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