Vertua Limited

ACN 108 076 295

Annual Report - 31 March 2016

Vertua Limited
Directors' report
31 March 2016

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Vertua Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 March 2016.

Directors
The following persons were Directors of Vertua Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Christopher Bregenhoj (Chairman and Company Secretary)
Benjamin Doyle
James Manning (Managing Director)

Principal activities
During the financial year the principal continuing activities of the Group consisted of:
- Property development
- Print services
- Professional services

The property development segment significantly expanded its ability to identify, acquire and undertake residential development opportunities as a result of the acquisition during November 2015 of Joe Public Holdings Pty Ltd (“JPH”).

The print services division made a minor acquisition during the year and continues to expand its operation.

In February 2016 the Group acquired Locumsgroup, a professional services business with accounting, financial planning, mortgage brokerage and real estate advisory services.

There have been no changes to the Board during the year and James Manning continues to act as the Managing Director of the Group.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Operating and financial review
The profit for the Group after providing for income tax and non-controlling interest amounted to $1,293,149 (31 March 2015: loss of $83,551).

The statement of financial position has significantly changed due to the effect of the business combinations during the year outlined in Note 35.

The operating and financial review is prepared in segments, in alignment with the reporting provided in the financial statements. There have been no changes to the Board during the year and James Manning continues to act as the Managing Director of the Group.

Property:
Through the acquisition of Joe Public Holdings Group ("JPH") as defined in Note 36, CFL Property Pty Ltd ("CFL") and RB Partners Pty Ltd ("RB") undertaken during the year, we have expanded our exposure to the property segment of the business. During the year we acquired the JPH business which came with a number of developments in various stages of completion. In addition we have acquired an interest in 'The Astonia', a boutique development in Milsons Point. Finally we have also acquired the office space in North Sydney which the Group operates out of. As a result of all these transactions at the balance date the Company holds interests in 5 developments. Through the JPH acquisition we have acquired the Fiducia Group business, which provides us with in house expertise in the identification, acquisition, development and sale of development sites. The business was founded by its current CEO, Mr. Benjamin Doyle, who is also a Director of Vertua. Ben is committed to the business and provides valuable experience in residential development.

Printing:
We continue to operate the Horizon Print Management ("Horizon") business which was acquired last financial year. Its focus is on value-added print management. The business is operated by an experienced CEO, Mr. Stuart Page, who is focused on the growth of this business. There has been a significant increase in the turnover in the business, however associated costs have resulted in small growth of the underlying profit from the previous corresponding period. The business acquired the assets of a competitor during the period which has added to the growth prospects of this segment and the overall Group.

Professional Services:
Finally, in February 2016 we acquired the Locumsgroup, as defined in Note 36, which is a professional services business with accounting, financial planning, mortgage brokerage and real estate advisory services. The business provides a good footprint to grow the professional services side of the Group. There is also a good opportunity to cross sell products between the Fiducia Group business and the Locumsgroup. The business was sold by Mr. Paul Ahearne who continues to operate the business and effectively retains 50% of the business. We expect the business will continue to grow under Paul's guidance and we will do all we can to support this opportunity.

Significant changes in the state of affairs
Effective from 30th November 2015, Vertua Investments Limited, a subsidiary of Vertua Limited acquired 100% of the ordinary shares in Joe Public Holdings Pty Ltd for the total consideration of $4,183,263. This business and its controlled entities operate in the property development space and are complementary to the existing property mandate of the group.

On 29th February 2016, Vertua Nominees Pty Ltd, a subsidiary of Vertua Limited, acquired 50% of Locumsgroup, a professional services firm, with multiple entities, as defined in Note 36, for consideration of $2,806,123. The group operates and provides accounting, financial planning, mortgage brokerage, and real estate advisory services.

On 31st March 2016, Vertua Limited acquired 100% of RB Partners Pty Ltd for the total consideration of $1,700,000. The business is undertaking a development in Milsons Point, NSW known as 'The Astonia'.

On 31st March 2016, Vertua Limited acquired 80% of CFL Property Pty Ltd for the total consideration of $1,060,000. The entity owns the property the Company occupies at North Sydney.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year
On 10th May 2016, Vertua acquired the remaining 20% in CFL Property Pty Ltd which it did not hold as at 31 March 2016. The Company now holds 100% of CFL Property Pty Ltd. The total consideration paid for the transaction was approximately $270,000. The group has further successfully refinanced the facility with the National Australia Bank, removing the Commonwealth Bank and extending the term of the loan.

No other matter or circumstance has arisen since 31 March 2016 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

The Group is aware of a view that a 'bubble' may exist within the residential property market, and under such conditions a 'collapse' could occur in property prices. While unable to predict the future, management believes that the current project pipeline is well diversified and presents a good risk adjusted exposure to residential property developments.

The printing industry continues to experience pressure on margins, and as print managers we are exposed to these movements. We focus on management of our margins throughout the year, however they do have the ability to impact performance materially.

The Group is in the process of integrating the operations of its recent financial services acquisition. Group management believes that the financial services industry will continue to thrive in the current market and that the division will continue to grow in line with forecast predictions.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on Directors

Name:	Christopher Bregenhoj
Title:	Non-Executive Chairman
Qualifications:	CA, FAICD
Experience and expertise:	Chris brings a strong accounting background having practiced for 13 years in Hong Kong. From 2000 Chris sat on the board of what became oOh! Media, seeing it through listing, acquisitions, a private equity buyout and relisting. Chris has undertaken numerous residential developments during his career.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Chairman of the Audit and Risk Committee
Interests in shares:	Nil
Interests in options:	1,350,000 indirectly through Bregenhoj Family Associates
Contractual rights to shares:	Nil

Name:	James Manning
Title:	Managing Director
Qualifications:	B.Bus (Accounting), M.Bus (Finance), FAICD
Experience and expertise:	James has over 10 years of experience in the property industry and founded Joe Public Holdings. He has undertaken numerous residential property developments throughout Australia and New Zealand.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Member of the Audit and Risk Committee
Interests in shares:	1,956,259 indirectly through the Manning Family Associates
Interests in options:	11,050,000 indirectly through the Manning Family Associates
Contractual rights to shares:	Nil

Name:	Benjamin Doyle
Title:	Executive Director
Experience and expertise:	Ben founded Fiducia Property Group and has run it for over 15 years, where he has developed numerous residential property developments. Ben has been recognised within the development industry through the HIA, having won the 2015 'NSW Development of the year sub $5mil'.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Member of the Audit and Risk Committee
Interests in shares:	125,000 Class A shares held directly and 620,451 indirectly through the Doyle Family Associates
Interests in options:	1,350,000 held indirectly through the Doyle Family Associates
Contractual rights to shares:	Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Christopher Bregenhoj acts as the Company secretary in addition to his role as Chairman.

Meetings of Directors
The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 31 March 2016, and the number of meetings attended by each Director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Christopher Bregenhoi	13	14	-	-	3	3
Benjamin Doyle	14	14	-	-	3	3
James Manning	12	14	-	-	3	3

Held: represents the number of meetings held during the time the Director held office.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation

Principles used to determine the nature and amount of remuneration
The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

Alignment to shareholders' interests:
- has economic profit as a core component of plan design
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracts and retain high calibre executives

Alignment to program participants' interests:
- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards

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

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

NSX listing rules require the aggregate non-executive director’s remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 20 October 2014, where the shareholders approved an aggregate remuneration of $36,000.

Executive remuneration
The Group aims to reward executives with a level and mix of remuneration based on their position and responsibility, which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of five years based on long-term incentive measures. These include increase in shareholders’ value relative to the entire market and the increase compared to the consolidated entity's direct competitors. The Board reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 31 March 2016, and has not granted any during this period. The Board intends to review this position in the year ended 31 March 2017 with the intention of aligning shareholders and executives over the long term.

Voting and comments made at the Company's 2015 Annual General Meeting ('AGM')
At the 2015 AGM, 95.36% of the votes received supported the adoption of the remuneration report for the year ended 31 March 2015. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following Directors of Vertua Limited:
- Christopher Bregenhoj - Non-Executive Chairman
- James Manning - Managing Director
- Benjamin Doyle - Executive Director

	Short-term benefits	Post-employment benefits	Long-term benefits	Share-based payments	
2016	Cash salary and fees $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:					
Christopher Bregenhoi	12,000	-	-	-	12,000
Executive Directors:					
Benjamin Doyle	88,482	7,361	826	-	96,669
James Manning	176,000	-	-	-	176,000
	276,482	7,361	826	-	284,669

	Short-term benefits	Post-employment benefits	Long-term benefits	Share-based payments	
2015 (9 Months)	Cash salary and fees $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:					
Christopher Bregenhoj	7,000	-	-	-	7,000
Executive Directors:					
Benjamin Doyle	9,000	-	-	-	9,000
James Manning	23,000	-	-	-	23,000
Howard Woolcott (resigned 30/09/2014)	3,000	-	-	-	3,000
Stephen Simonds (resigned 01/09/2014)	480	-	-	-	480
	42,480	-	-	-	42,480

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	James Manning
Title:	Managing Director
Term of agreement:	Unspecified
Details:	Per the service agreements in place with Vertua Limited, James Manning receives a base salary of $36,000 per annum, in addition Mr Manning bills Vertua for time spent over and above an agreed set of hours per month. Mr Manning has a fixed management agreement with Horizon Print Management for $60,000 per annum and invoices other group entities (including Joe Public Holdings) based on time spent each month.

Name:	Christopher Bregenhoj
Title:	Chairman
Term of agreement:	Unspecified
Details:	Per the service agreements in place with Vertua Limited, Christopher Bregenhoj receives $12,000 per annum.

Name:	Benjamin Doyle
Title:	Director
Term of agreement:	Unspecified
Details:	Per the service agreements in place with Vertua Limited, Benjamin Doyle receives $12,000 per annum and in addition to this he also has an employment contract with Fiducia Group for $253,950 per annum.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct. The notice period for James Manning is 6 months, all other Directors have a notice period of 3 months. Performance bonuses will be paid to Directors up to the date of termination.

Share-based compensation

Issue of shares
There were no Class A shares issued to Directors and other key management personnel as part of compensation during the year ended 31 March 2016.

Options
There were no options over Class A shares issued to Directors and other key management personnel as part of compensation that were outstanding as at 31 March 2016.

There were no options over Class A shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 31 March 2016.

Direct holding

	Shares			**Options**		
Directors	**31/03/2015**	**Net Change**	**31/03/2016**	**31/03/2015**	**Net Change**	**31/03/2016**
James Manning	Nil	Nil	Nil	Nil	Nil	Nil
Christopher Breganhoj	Nil	Nil	Nil	Nil	Nil	Nil
Benjamin Doyle	125,000	Nil	125,000	Nil	Nil	Nil
Total	125,000	Nil	125,000	Nil	Nil	Nil

Indirect holding
James Manning controls 11,050,000 options and 1,956,259 Class A shares indirectly held by the Manning Family Association of which he is a member. Benjamin Doyle holds 620,451 shares and 1,350,000 options indirectly through the Doyle Family Association. Mr Bregenhoj holds 1,350,000 options indirectly through the Bregenhoj Family Association.

This concludes the remuneration report, which has been audited.

Shares issued on the exercise of options
There were no Class A shares of Vertua Limited issued on the exercise of options during the year ended 31 March 2016 and up to the date of this report.

Indemnity and insurance of officers
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 31 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 31 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of the auditor
There are no officers of the Company who are former partners of Grant Thornton.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Christopher Bregenhoj
Chairman

7 September 2016

Level 18
King George Central
145 Ann Street
Brisbane QLD 4000
Correspondence to:
GPO Box 1008
Brisbane QLD 4001

T + 61 7 3222 0200
F + 61 7 3222 0444
E info.qld@au.gt.com
W www.grantthornton.com.au

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 audit of Vertua Limited for the year ended 31 March 2016, 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 audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

CDJ Smith
Partner - Audit & Assurance

Brisbane, 7 September 2016

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Vertua Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2016

	Note	Consolidated 2016 $	2015 (9 Months) $
Revenue	5	14,700,802	747,137
Other income		543,371	8,225
Cost of sales	7	(13,041,643)	(639,831)
Gross profit		2,202,530	115,531
Gain on bargain purchase	6	1,409,123	-
Expenses			
Salaries and wages		(850,284)	-
Management fees		(125,115)	(5,000)
Director fees		(58,487)	(42,480)
Professional fees		(613,767)	(217,161)
Property costs		(222,935)	(5,882)
Advertising and promotion		(11,106)	(18,085)
Other expenses from ordinary activities		(194,075)	(81,801)
Share based payment expense		-	(7,500)
Depreciation and amortisation expense	7	(480,590)	(299)
Operating profit/(loss)		1,055,294	(262,677)
Finance costs		(231,929)	(17,374)
Profit/(loss) before income tax benefit		823,365	(280,051)
Income tax benefit	8	497,758	196,500
Profit/(loss) after income tax benefit for the year		1,321,123	(83,551)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		1,321,123	(83,551)
Profit/(loss) for the year is attributable to:			
Non-controlling interest		27,974	-
Owners of Vertua Limited		1,293,149	(83,551)
		1,321,123	(83,551)
Total comprehensive income for the year is attributable to:			
Non-controlling interest		27,974	-
Owners of Vertua Limited		1,293,149	(83,551)
		1,321,123	(83,551)
		Cents	**Cents**
Basic earnings per share	39	13.1	(0.8)
Diluted earnings per share	39	2.0	(0.8)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Vertua Limited
Statement of financial position
As at 31 March 2016

	Note	Consolidated 2016 $	2015 $
Assets			
Current assets			
Cash and cash equivalents	9	840,244	351,879
Trade and other receivables	10	4,276,351	3,711,925
Inventories and work in progress	11	232,947	3,075,373
Financial assets	12	3,368,959	-
Net present value of trail commission income	13	292,899	-
Total current assets		9,011,400	7,139,177
Non-current assets			
Property, plant and equipment	14	2,755,799	16,015
Intangibles	15	5,334,576	1,004,184
Deferred tax	16	753,165	196,500
Net present value of trail commission income	17	820,819	-
Total non-current assets		9,664,359	1,216,699
Total assets		18,675,759	8,355,876
Liabilities			
Current liabilities			
Trade and other payables	18	3,272,049	4,351,214
Financial liabilities	19	1,380,000	1,983,652
Income tax	20	301,033	-
Provisions	21	164,166	35,872
Deferred settlement liability	22	839,090	55,000
Total current liabilities		5,956,338	6,425,738
Non-current liabilities			
Financial liabilities measured at amortised cost	23	5,682,682	1,105,259
Total non-current liabilities		5,682,682	1,105,259
Total liabilities		11,639,020	7,530,997
Net assets		7,036,739	824,879
Equity			
Issued capital	24	4,704,398	4,704,398
Convertible notes	25	3,265,420	-
Accumulated losses		(2,586,370)	(3,879,519)
Equity attributable to the Owners of Vertua Limited		5,383,448	824,879
Non-controlling interest	26	1,653,291	-
Total equity		7,036,739	824,879

The above statement of financial position should be read in conjunction with the accompanying notes

Vertua Limited
Statement of changes in equity
For the year ended 31 March 2016

Consolidated	Issued capital $	Convertible notes $	Retained losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2014	4,546,898	-	(3,795,968)	-	750,930
Loss after income tax benefit for the period	-	-	(83,551)	-	(83,551)
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	(83,551)	-	(83,551)
Transactions with owners in their capacity as owners:					
Share-based payments	7,500	-	-	-	7,500
Shares issued upon conversion	150,000	-	-	-	150,000
Balance at 31 March 2015	4,704,398	-	(3,879,519)	-	824,879

Consolidated	Issued capital $	Convertible notes $	Retained losses $	Non-controlling interest $	Total equity $
Balance at 1 April 2015	4,704,398	-	(3,879,519)	-	824,879
Profit after income tax benefit for the year	-	-	1,293,149	27,974	1,321,123
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	1,293,149	27,974	1,321,123
Non-controlling interest upon acquisition	-	-	-	1,625,317	1,625,317
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 25)	-	3,265,420	-	-	3,265,420
Balance at 31 March 2016	4,704,398	3,265,420	(2,586,370)	1,653,291	7,036,739

The above statement of changes in equity should be read in conjunction with the accompanying notes

Vertua Limited
Statement of cash flows
For the year ended 31 March 2016

		Consolidated	
	Note	**2016** **$**	**2015 (9 Months)** **$**
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		17,172,442	1,311,172
Payments to suppliers and employees (inclusive of GST)		(15,388,463)	(3,798,384)
		1,783,979	(2,487,212)
Interest received		94,702	9,666
Interest and other finance costs paid		(162,929)	(6,473)
Income taxes paid		(83,061)	-
Net cash from/(used in) operating activities	38	1,632,691	(2,484,019)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	35	(1,123,366)	(412,293)
Payments for property, plant and equipment	14	(245,693)	(336)
Payments for intangibles	15	(125,000)	-
Net cash used in investing activities		(1,494,059)	(412,629)
Cash flows from financing activities			
Net movement in borrowings		349,733	2,488,643
Net cash from financing activities		349,733	2,488,643
Net increase/(decrease) in cash and cash equivalents		488,365	(408,005)
Cash and cash equivalents at the beginning of the financial year		351,879	759,884
Cash and cash equivalents at the end of the financial year	9	840,244	351,879

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Vertua Limited as a Group consisting of Vertua Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Vertua Limited's functional and presentation currency.

Vertua Limited (the 'Company') is a listed public company limited by shares, incorporated and domiciled in Australia. The Company is listed in the National Stock Exchange of Australia with the code VERA. Its registered office and principal place of business is:

Level 5 97 Pacific Highway
North Sydney NSW Australia 2060

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 7 September 2016. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations not yet adopted
The Group is currently assessing the impact of new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB').

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 9 Financial Instruments
AASB 9 includes requirements for the classification and measurement of financial assets, the accounting requirements for financial liabilities, impairment testing requirements and hedge accounting requirements.

The changes made to accounting requirements by these standards include:
- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value and an allowance for debt instruments to be carried at fair value through other comprehensive income in certain circumstances
- simplifying the requirements for embedded derivatives
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument
- financial assets will need to be reclassified where there is a change in an entity’s business model as they are initially classified based on (a) the objective of the entity’s business model for managing the financial assets; and (b) the characteristics of the contractual cash flows
- amending the rules for financial liabilities that the entity elects to measure at fair value, requiring changes in fair value attributed to the entity’s won credit risk to be presented in other comprehensive income
- introducing new general hedge accounting requirements intended to more closely align hedge accounting with risk management activities as well as the addition of new disclosure requirements
- requirements for impairment of financial assets

The group is yet to consider the impact of these changes.

Note 2. Significant accounting policies (continued)

AASB 16 Leases
AASB 16 introduces a single lessee accounting model that requires all leases to be accounted for on balance sheet. A lessee will be required to recognise an asset representing the right to use the underlying asset during the lease term (ie right-of-use asset) and a liability to make lease payments (ie lease liability). Two exemptions are available for leases with a term less than 12 months or if the underlying asset is of low value.

The lessor accounting requirements are substantially the same as in AASB 117. Lessors will therefore continue to classify leases as either operating or finance leases.

AASB 16 will replace AASB 117 Leases, Interpretation 4 Determining Whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and interpretation 127 Evaluating the substance of Transactions Involving the Legal Form of a Lease.

The group is yet to consider the impact of these changes.

AASB 15 Revenue from Contracts with Customers
AASB 15 establishes a single, comprehensive framework for revenue recognition, and replaces the previous revenue Standards AASB 118 Revenue and AASB 111 Construction Contracts, and the related Interpretations on revenue recognition Interpretation 13 Customer Loyalty Programmes, Interpretation 15 Agreements for the Construction of Real Estate, Interpretation 18 Transfers of Assets from Customers and Interpretation 131 Revenue—Barter Transactions Involving Advertising Services.

AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

The group is yet to consider the impact of these changes.

Basis of preparation
These consolidated general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB'). Vertua Ltd is a for-profit entity for the purpose of preparing the financial statements.

Vertua Limited [Consolidated Entity (the "Group")] obtained approval from the National Stock Exchange to change its financial year end date from 30 June to 31 March in the prior period. As a consequence the financial statements are for a 12 month period ending 31 March 2016 and the comparative period figures are for a 9 Month period ending 31 March 2015.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group'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 3.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 34.

Note 2. Significant accounting policies (continued)

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all controlled entities of Vertua Limited (the 'Company') as at 31 March 2016 and the Group results of all controlled entities for the year then ended.

Controlled entities are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Entities are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of controlled entities are accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent entity.

During the year the Group acquired controlled entities with different reporting periods to that of Vertua Limited. Refer to Note 36: Interest in controlled entities, for further information.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a controlled entity, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition
Revenue arises from the sale of goods and rendering of services. It is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

The Group applies the revenue recognition criteria set out below to each separately identifiable component of the sales transaction in order to reflect the substance of the transaction. The consideration received for these multiple-component transactions are allocated to the separately identifiable component in proportion to its relative fair value.

Print management
Sale of goods or services provided by the Print division are recognised when the Group has transferred to the buyer the significant risks and rewards of ownership, generally when the customer has taken undisputed delivery of the goods.

Property development and project management
Revenue is recognised on settlement of the sale of property, except where the Group can apply the provisions associated with the sale of a property under an off the plan contract. Under this latter scenario the Group will apply accounting for a "for construction" contract, whereby the Group can elect to use the percentage completion methodology. Rental income is recognised on an accruals basis in accordance with the Australian Accounting Standards.

Note 2. Significant accounting policies (continued)

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

Interest, dividends, gains and losses
Interest income and expenses are reported on an accrual basis using the effective interest method. Dividends other than those from investments in associates are recognised in the income statement when received.

Commission and fee revenue
Revenue from origination of loans is comprised of commission paid at the time the loan is originated and trailing commission which is paid over the life of the loan. Origination commissions received are recognised as revenue on settlement of the loan.

Revenue from trail commissions earned from lenders on the settlement of the loans is recognised at fair value being the net present value ("NPV") of future trail commissions to be received. Correspondingly, trail commission expense is recognised at fair value being the NPV of the future trail commissions to be paid and subsequently measured at amortised cost.

The NPV of the future trail commissions on managed loans, where the consolidated entity provides ongoing service during the life of the loan, is adjusted by the fair value of providing that ongoing service.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Note 2. Significant accounting policies (continued)

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories
Print services and work in progress are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Properties held for redevelopment are inventory and represented by work-in-progress. Work performed but not yet invoiced by Horizon and Locumsgroup are carried as work-in-progress.

Note 2. Significant accounting policies (continued)

Financial instruments

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

Financial instruments are initially measured at fair value, except where the instrument is classified "at fair value through profit and loss", which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Classification and subsequent measurement
Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

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

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Financial liabilities
Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment
A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition
Financial assets are derecognised when the contractual rights to the cash flows from financial assets expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Note 2. Significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Fixtures and fittings	3-10 years
Plant and equipment	3-7 years
Computer equipment	2-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Operating leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Note 2. Significant accounting policies (continued)

Customer relationships
Customer relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 8 years.

Contractual rights
Contractual rights acquired in a business combination are amortised on a straight line basis over the period of their expected benefit, being their finite life of 15 months.

Impairment of non-financial assets
Goodwill and other 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 non-financial assets are reviewed 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Financial liabilities
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

The Group's policy is to ensure that the majority of its borrowings for real estate investment should mature beyond projected disposal dates at all times.

Borrowing costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other borrowing costs are expended in the period in which they are incurred. Borrowing costs are reported as finance costs in the statement of profit and loss and other comprehensive income.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Post employment benefits plans
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 2. Significant accounting policies (continued)

Provisions, contingent liabilities and contingent assets
Provisions, contingent liabilities and contingent assets are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision, contingent liability or contingent asset is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions, contingent liabilities and contingent assets are discounted using a current pre-tax rate specific to the liability. The increase in the provision, contingent liability or contingent asset resulting from the passage of time is recognised as a finance cost.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
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.

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.

Class A shares are classified as equity.

Note 2. Significant accounting policies (continued)

Class A 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.

Convertible notes

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes, in accordance with accounting practice, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

In the financial statements, the fair value of convertible notes comprises the fair value of the liability and the equity residual value. The Company has recorded convertible notes at the amount of money advanced. This is because, given the nature and size of the Company, the face value of the unsecured debt under the convertible note is the most reliable estimate of the fair value of the unsecured debt (i.e. there exists no market for debt of this nature to facilitate a fair value estimate).

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired. The acquisition method of accounting is also used for common control business combinations.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 2. Significant accounting policies (continued)

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the Owners of Vertua Limited, excluding any costs of servicing equity other than Class A shares, by the weighted average number of Class A shares outstanding during the financial year, adjusted for bonus elements in Class A shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential Class A shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential Class A shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of receivables
The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Provision for impairment of inventories
The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Fair value measurement hierarchy
The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets
The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax
The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The Group relies upon the Modified Continuity of Ownership ("COT") provisions for its ability to utilise the losses of Vertua Limited and its subsidiaries. Should the Group breach the Modified COT provisions then it is unlikely that the Group would be able to access the losses and this would result in a large impairment of the deferred tax asset.

Employee benefits provision
As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date.

Business combinations
As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

On 29 February 2016, Vertua Limited effectively acquired 50% ownership and the control over "The Locumsgroup" for consideration of $2,806,123 with a deferred amount of $839,090 payable on or before 30 June 2016. The terms give Vertua Limited equal representation on the board of Locumsgroup. The Group furthermore has the right to obtain the residual 50% from Locumsgroup via a put and call option agreement between both parties.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Accounting for business combinations under common control
The acquisition by the Company of Joe Public Holdings Pty Ltd is regarded as a business combination involving companies under common control.

Common control transactions are specifically scoped out of AASB3 Business Combinations and management therefore have applied their best judgement to develop an accounting policy to accurately disclose the nature of the acquisition in accordance with AASB 108: Accounting policies, changes in accounting estimates and errors.

Although common control combinations are specifically outside the scope of AASB 3: Business Combinations, in management's view, its principles can nevertheless be applied by analogy. The directors have therefore applied the acquisition method principles in accordance with the standard in accounting for the acquisition of Joe Public Holdings Pty Ltd.

The above policy is considered to be consistent with other business combinations that have taken place during and previous years/periods.

Note 4. Operating segments

Identification of reportable operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

During the year there has been a new operating segment added to the Group, the CODM have named this segment Professional services. This is due to the acquisition of the Locumsgroup, refer to Note 35: Business Combinations for further information.

The information reported to the CODM is on a monthly basis. The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

The consolidated entity is organised into three operating segments: printing services, property developments and professional financial services. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The Group does not rely on any major customer, this is determined by the Group having no more than 10% of revenue with any single customer.

Types of products and services
The principal products and services of each of these operating segments are as follows:

Printing	Relates to the value added print management provided by Horizon Print Management.
Property	Relates to the identification, acquisition, development and sale of development sites.
Professional services	Relates to the accounting, financial planning, mortgage brokerage and real estate advisory and services.
Unallocated	Relates to the Groups corporate assets.

All of the Group's segments operate in Australia and therefore for geographical segmentation are classified as one segment.

Note 4. Operating segments (continued)

Operating segment information

Consolidated - 2016	Printing $	Property $	Professional services $	Unallocated $	Total $
Revenue					
Revenue	11,590,012	3,358,740	213,407	82,014	15,244,173
Other	-	1,409,123	-	-	1,409,123
Total revenue	11,590,012	4,767,863	213,407	82,014	16,653,296
Cost of sales	(10,343,191)	(2,638,070)	(60,382)	-	(13,041,643)
Salaries and wages	(549,714)	(189,140)	(44,777)	(66,653)	(850,284)
Management fees	(60,000)	(60,000)	(5,115)	-	(125,115)
Director fees	-	-	-	(58,487)	(58,487)
Finance costs	(125,314)	(23,291)	(788)	(82,536)	(231,929)
Professional fees	(83,058)	(23,412)	(7,423)	(499,874)	(613,767)
Property costs	(48,976)	(145,002)	-	(28,957)	(222,935)
Advertising and promotion	(10,054)	(1,052)	-	-	(11,106)
Other expenses	(108,904)	(43,501)	(39,873)	(1,797)	(194,075)
Depreciation and amortisation expense	(8,072)	(455,531)	(198)	(16,789)	(480,590)
Profit/(loss) before income tax benefit	252,729	1,188,864	54,851	(673,079)	823,365
Income tax benefit					497,758
Profit after income tax benefit					1,321,123
Assets					
Segment assets	3,413,015	8,177,157	3,540,079	3,545,508	18,675,759
Total assets					18,675,759
Liabilities					
Segment liabilities	2,358,798	2,771,898	2,731,486	3,776,838	11,639,020
Total liabilities					11,639,020

Liabilities included in the "unallocated" operating segment relate to overall funding of the Group’s operations.

Note 4. Operating segments (continued)

Consolidated - 2015 (9 Months)	Printing $	Property $	Unallocated $	Total $
Revenue				
Revenue	728,598	-	-	728,598
Other	38	17,853	8,873	26,764
Total revenue	728,636	17,853	8,873	755,362
Cost of sales	(639,831)	-	-	(639,831)
Management fees	(5,000)	-	-	(5,000)
Director fees	-	(42,480)	-	(42,480)
Finance costs	(1,662)	(15,712)	-	(17,374)
Professional fees	(40,134)	(177,027)	-	(217,161)
Property costs	(4,183)	(1,699)	-	(5,882)
Advertising and promotion	(537)	(17,548)	-	(18,085)
Other expenses	(4,417)	(76,933)	(451)	(81,801)
Depreciation and amortisation expense	-	(299)	-	(299)
Share based payment expense	-	-	(7,500)	(7,500)
Profit/(loss) before income tax benefit	32,872	(313,845)	922	(280,051)
Income tax benefit				196,500
Loss after income tax benefit				(83,551)
Assets				
Segment assets	3,504,138	4,851,738	-	8,355,876
Total assets				8,355,876
Liabilities				
Segment liabilities	3,307,995	4,223,002	-	7,530,997
Total liabilities				7,530,997

Note 5. Revenue

	Consolidated	
	2016 $	**2015 (9 Months) $**
Revenue		
Interest received	126,796	9,666
Print services	11,440,851	728,598
Sale of shares	-	8,873
Property sales	2,919,748	-
Professional services	213,407	-
	14,700,802	747,137

Note 6. Other income

	Consolidated	
	2016 $	2015 (9 Months) $
Other income		
Rental income	1,200	8,225
Gain on bargain purchases – refer to Note 35	1,409,123	-
Profit share	292,908	-
Disbursement recovery	146,084	-
Other	103,179	-
	1,952,494	8,225

Note 7. Expenses

	Consolidated	
	2016 $	2015 (9 Months) $
Profit/(loss) before income tax includes the following specific expenses:		
Cost of sales		
Cost of sales	13,041,643	639,831
Depreciation		
Amortisation	464,109	-
Depreciation	16,481	299
Total depreciation and amortisation	480,590	299

Note 8. Income tax benefit

	Consolidated	
	2016 $	2015 (9 Months) $
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Profit/(loss) before income tax benefit	823,365	(280,051)
Tax at the statutory tax rate of 30%	247,010	(84,015)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Legal expenses	110,826	-
Other non-deductible amounts	68,852	11,425
Other deductible amounts	-	(13,903)
Gain on bargain purchase not assessable	(422,737)	-
Future income tax benefits on tax losses brought to account (previously unrecognised tax losses)	(501,709)	(196,500)
Future income tax benefit not brought to account	-	86,493
Income tax benefit	(497,758)	(196,500)

Note 9. Current assets - cash and cash equivalents

	Consolidated 2016 $	Consolidated 2015 $
Cash at bank	840,244	351,879

Note 10. Current assets - trade and other receivables

	Consolidated 2016 $	Consolidated 2015 $
Trade receivables	3,546,054	3,570,117
Prepayments	30,919	9,726
Sundry debtors	38,128	132,082
Accrued income	180,626	-
Security deposits	15,000	-
	264,673	141,808
Loan: Special Purpose Vehicles for property development	121,500	-
Loan: Employee advances	8,032	-
Loan: Vendor related loans	336,092	-
	4,276,351	3,711,925

Impairment of receivables
The Group has recognised a loss of $Nil (2015: $Nil) in profit and loss in respect of impairment of receivables for the year ended 31 March 2016. Horizon specifically insures its receivables, and as such considers the risk of loss to be nil in relation to $2,926,398 (2015: $1,460,778) of the balance above.

The ageing of the impaired receivables provided for above are as follows:

	Consolidated 2016 $	Consolidated 2015 $
0 to 3 months overdue but not impaired	3,495,427	3,498,595
3 to 6 months overdue but not impaired	50,627	71,522
	3,546,054	3,570,117

Note 11. Current assets - inventories and work in progress

	Consolidated 2016 $	Consolidated 2015 $
Print services work in progress	232,947	452,758
Property stock	-	2,622,615
	232,947	3,075,373

Note 12. Current assets - financial assets

	Consolidated 2016 $	Consolidated 2015 $
Financial assets: Interests in residential development entities held at amortised cost	3,368,959	-

The Group has a number of investments in a variety of development project entities located in Sydney, NSW. The investments in development project entities represents the net exposure to the underlying projects held by the Group as at reporting date. The Group may be called to contribute additional capital to one or more of the projects depending on the stage of the development, timing of cash flows as well as the projects ability to secure third party funding.

Note 13. Current assets - net present value of trail commission income

	Consolidated 2016 $	Consolidated 2015 $
Commissions receivable	292,899	-

Note 14. Non-current assets - property, plant and equipment

	Consolidated 2016 $	Consolidated 2015 $
Buildings - at cost	2,072,072	-
Fixtures and fittings - at cost	471,553	11,655
Less: Accumulated depreciation	(8,650)	-
	462,903	11,655
Computer equipment - at cost	169,926	2,307
Less: Accumulated depreciation	(4,858)	-
	165,068	2,307
Office equipment - at cost	58,998	2,352
Less: Accumulated depreciation	(3,242)	(299)
	55,756	2,053
	2,755,799	16,015

Note 14. Non-current assets - property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial periods are set out below:

Consolidated	Buildings $	Fixtures and fittings $	Computer equipment $	Office equipment $	Total $
Balance at 1 July 2014	-	-	-	-	-
Additions	-	336	-	-	336
Additions through business combinations (note 35)	-	11,319	2,307	2,352	15,978
Depreciation expense	-	-	-	(299)	(299)
Balance at 31 March 2015	-	11,655	2,307	2,053	16,015
Additions	-	26,910	163,339	55,444	245,693
Additions through business combinations (note 35)	2,072,072	432,988	4,280	1,202	2,510,542
Depreciation expense	-	(8,650)	(4,858)	(2,943)	(16,451)
Balance at 31 March 2016	2,072,072	462,903	165,068	55,756	2,755,799

Note 15. Non-current assets - intangibles

	Consolidated 2016 $	Consolidated 2015 $
Goodwill	2,522,645	1,004,184
Contractual rights	1,683,069	-
Less: Accumulated amortisation	(448,818)	-
	1,234,251	-
Customer relationships	1,592,971	-
Less: Accumulated amortisation	(15,291)	-
	1,577,680	-
	5,334,576	1,004,184

Note 15. Non-current assets - intangibles (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill $	Contractual rights $	Customer relationships $	Total $
Balance at 1 July 2014	-	-	-	-
Additions through business combinations	1,004,184	-	-	1,004,184
Balance at 31 March 2015	1,004,184	-	-	1,004,184
Additions	-	-	125,000	125,000
Additions through business combinations (note 35)	1,518,461	1,683,069	1,467,971	4,669,501
Amortisation expense	-	(448,818)	(15,291)	(464,109)
Balance at 31 March 2016	2,522,645	1,234,251	1,577,680	5,334,576

a) The intangible asset additions arising from the three acquisitions concluded during the financial year ended 31 March 2016 amount to $4,669,501, as outlined in detail in Note 35. The directors' consider the fair value of these acquisitions to be confirmed by the specific transaction occurring between knowledgeable parties and an accurate reflection of their recoverable amounts in context of the Vertua business model.

The fair value purchase price allocation relating to the current year's acquisitions, namely customer relationships, contractual rights, future trailing income and goodwill have been provisionally determined by the directors based on available information from Independent experts and the assessments made.

Intangible assets, other than goodwill, have finite useful lives. The current period amortisation charge for intangible assets is included under the depreciation and amortisation expense in the statement of profit and loss and other comprehensive income.

Customer relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 8 years.

Contractual rights acquired in a business combination are amortised on a straight line basis over the period of their expected benefit, being their finite life of 15 months.

The goodwill acquired on the Locumsgroup acquisition represents the expected return on future profits that will be made and synergies that will be achieved through the acquisition of the professional services segment.

The addition to Customer relationships relates to customer lists for Horizon Print Management.

b) Goodwill is assessed annually by management for impairment. The Goodwill acquired on the acquisition of Horizon Print Management has been assessed and management believe there is no requirement for an impairment charge in the year.

In context of the Goodwill impairment testing, the directors have forecast annual revenue growth to increase over the next 2-4 years and have considered an achievable medium-term revenue target at the end of 2019. The directors expect the full benefits of the Company's integrated sales initiatives to materialise during this period before entering a long-term growth pattern at an annual rate of at least 5%. Horizon Print Management has experienced revenue growth from $7.1m in 2015 to $11m in 2016, management consider exponential growth in the medium term to be attainable. A 3% change in top line revenue growth has an effect of $147,101 not resulting in an impairment.

Apart from the above, the following key assumptions were used in the impairment calculation:

- Growth rate (from 2019 onward revenue forecasts): 5%
- Discount rate: 12%

Note 16. Non-current assets - deferred tax

	Consolidated 2016 $	2015 $
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses recognised	687,448	185,738
Employee benefits	81,187	10,762
Accrued expenses	5,701	-
Revenue received in advance	594	-
Accounts payable	11,075	-
Accounts receivable	(32,840)	-
Deferred tax asset	753,165	196,500

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Excluding the above the Group has remaining unrecognised tax losses of $4,341,875, subject to the ability to meet the continuity of ownership or the same business test.

The Group relies upon the Modified Continuity of Ownership ("COT") provisions for its ability to utilise the losses of Vertua Limited and its subsidiaries. Should the Group breach the Modified COT provisions then it is unlikely that the Group would be able to access the losses and this would result in a large impairment of the deferred tax asset.

Note 17. Non-current assets - net present value of trail commission income

	Consolidated 2016 $	2015 $
Commissions receivable	820,819	-

Note 18. Current liabilities - trade and other payables

	Consolidated 2016 $	2015 $
Trade payables	2,906,307	2,251,426
Deferred income	87,091	2,099,788
BAS payable	164,391	-
Other payables	114,260	-
	3,272,049	4,351,214

Refer to note 28 for further information on financial instruments.

Note 19. Current liabilities - financial liabilities

	Consolidated 2016 $	Consolidated 2015 $
Bank loans	-	1,182,174
CommBank Mortgages Bill Line	1,380,000	-
Loan: Woodville Super Pty Ltd	-	132,067
Loan: Joe Public Holdings	-	153,935
Loan: Calvert investments	-	515,476
	1,380,000	1,983,652

Refer to note 28 for further information on financial instruments.

The CommBank Mortgage Bill Line is repayable within 12 months, however the company has post balance date agreed with NAB to refinance this facility on similar terms.

Note 20. Current liabilities - income tax

	Consolidated 2016 $	Consolidated 2015 $
Provision for income tax	301,033	-

The above provision arose from liabilities assumed during acquisitions that have not yet been settled as at 31 March 2016.

Note 21. Current liabilities - provisions

	Consolidated 2016 $	Consolidated 2015 $
Annual leave	84,239	35,872
Long service leave	79,927	-
	164,166	35,872

Note 22. Current liabilities - deferred settlement liability

	Consolidated 2016 $	Consolidated 2015 $
Deferred settlement liability	839,090	55,000

On 29 February 2016, Vertua Limited acquired 50% ownership and the control over "The Locumsgroup" for consideration of $2,806,123 with a deferred amount of $839,090 payable on or before 30 June 2016. Refer to Note 35: Business combinations and Note 36: Interest in controlled entities.

Note 23. Non-current liabilities - financial liabilities measured at amortised cost

	Consolidated	
	2016	2015
	$	$
The Manning Group	2,339,345	1,105,259
Esplanade Super Pty Ltd	265,212	-
Holicarl Pty Ltd	265,212	-
Manning Capital Pty Ltd	1,700,000	-
Woodville Super Pty Ltd	265,212	-
Convertible note instrument	847,701	-
	5,682,682	1,105,259

Refer to note 28 for further information on financial instruments.

The Manning Group Pty Ltd loan was expanded to provide additional working capital and acquisition funding for the purchase of Locumsgroup, Manning Group is considered a related party.

The loan from Manning Capital Pty Ltd has been used to purchase the net assets of RB Partners Pty Ltd during the year. Manning Capital Pty Ltd is considered to be a related party.

The loan from Esplanade Super Pty Ltd, Holicarl Pty Ltd and Woodville Super Pty Ltd have been used to purchase 80% of the net assets of CFL Property Pty Ltd during the year. Esplanade Super Pty Ltd and Woodville Super Pty Ltd are considered related parties.

The liability in relation to the convertible note is the present value of the deemed interest flow arising under the terms of the convertible note agreement, which represents the liability component of $778,701 as determinant on the date of acquisition (see Note 35) and an interest component of $69,000.The key terms of the agreement are as follows:

i) The Notes are deemed to be interest free up to their third anniversary of issue where-after interest on face value at a rate equal to BBSW + 8% per annum applies;

ii) The Notes are deemed to satisfy the “fixed-for-fixed” criteria as per AASB 132.22, due to each Note converting to one ordinary share in the Company, if the conversion is activated;

iii) All Note holders need to act as one;

iv) Conversion may be exercised by the holder at any time within 5 years from date of issue;

v) Conversion may also be exercised by the issuer (the Company) after 3 years from date of issue;

vi) Redemption of the Note is at the option of either holder or issuer after 5 years.

Note 23. Non-current liabilities - financial liabilities measured at amortised cost (continued)

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	Consolidated 2016 $	Consolidated 2015 $
Westpac Banking Corporation	-	1,182,174
The Manning Group	2,339,345	1,105,259
Esplanade Super Pty Ltd	265,212	-
Holicarl Pty Ltd	265,212	-
Woodville Super Pty Ltd	265,212	132,067
Joe Public Holdings	-	153,935
Calvert Investments	-	515,476
CommBank Mortgage Bill Line	1,380,000	-
	4,514,981	3,088,911

Assets pledged as security
The CommBank Mortgages Bill Line is secured by first mortgages over the Group's property at 97 Pacific Highway, North Sydney. The loans from Holicarl Pty Ltd, Esplanade Super Pty Ltd, Woodville Super Pty Ltd and The Manning Group loan have a General Security Agreement over the assets of Vertua Limited and Vertua Investments Limited.

Note 24. Equity - issued capital

	Consolidated 2016 Shares	Consolidated 2015 Shares	Consolidated 2016 $	Consolidated 2015 $
Class A shares - fully paid	9,873,275	9,873,275	4,704,398	4,704,398

Class A shares
Class A shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid Class A shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Note 24. Equity - issued capital (continued)

The capital risk management policy remains unchanged from the 31 March 2015 Annual Report.

Note 25. Equity - Convertible notes

	Consolidated	
	2016 $	2015 $
Convertible notes	3,265,420	-

On 8 February 2016 the shareholders of Vertua Limited voted in favour of issuing 40,000,000 Convertible Notes at a value of $0.15, totalling $6,000,000 for the acquisition of Joe Public Holdings Pty Limited.

The main terms of issue of the Convertible Notes (the 'Notes') include:

- the Notes are interest free up to their third anniversary of issue where after interest on face value at a rate equal to BBSW + 8% per annum applies;

- the Notes are unsecured and are convertible at a fixed ratio of 1 for 1 into ordinary shares of the Company;

- the Notes' conversion rights may be exercised by their holder at any time within 5 years after their issue with the Company also having the option to convert all or any of the Notes into shares between the third anniversary of their issue;

It is management's intention to convert the Notes upon the third anniversary.

Applying the conversion rights to the requirements of *AASB 132: Financial Instruments - Presentation* the Notes are deemed to be a compound instrument with the contractual cash flow component classified as debt, included in Note 23.

Transaction costs to acquire Joe Public Holdings Pty Limited of $139,142 have been allocated against the Equity Instruments.

Share Options Issued:

On 31 March 2016, Vertua Limited issued share options to the respective counterparties of CFL Property Pty Ltd acting as trustee for CFL Property Unit Trust as part of finance arrangements of that transaction. The three vendors were issued with 1,350,000 share options each having a call price of $0.20 with a nil premium.

Vertua Limited also issued share options to Manning Group Pty Limited in its capacity as trustee of the Manning Group Trust in relation to the successful acquisition of Horizon Print Management. A total of 9,700,000 share options were issued with a call price of $0.1485 and a nil premium.

Shareholders approved all issues of options.

Note 25. Equity - equity reserve (continued)

The existing options held by Joe Public Holdings at the beginning of the year, were subsequently cancelled on 30 November 2015 as a result of the business combination between Vertua Limited and Joe Public Holdings.
Set out below are summaries of the share options granted / issued during the year:

	Joe Public Holding	Manning Group	Holicarl Pty Ltd	Woodville Super Pty Ltd	Esplanade Super Fund Pty Ltd	Total
Grant date	01/09/2015	17/03/2015	31/03/2016	31/03/2016	31/03/2016	
Expiry date	30/11/2015	17/03/2025	31/03/2022	31/03/2022	31/03/2022	
	$	$	$	$	$	
Exercise price	0.12	0.1485	0.20	0.20	0.20	
	Number	Number	Number	Number	Number	Number
Balance at start of the year	350,000	-	-	-	-	350,000
Granted	-	9,700,000	1,350,000	1,350,000	1,350,000	13,750,000
Exercised	-	-	-	-	-	-
Expired / forfeited / other	350,000	-	-	-	-	350,000
Balance at the end of the year	-	9,700,000	1,350,000	1,350,000	1,350,000	13,750,000

Note 26. Equity - non-controlling interest

The non-controlling interest relates to the 50% shareholding in The Locumsgroup and the 20% of CFL Property Pty Ltd held by external parties. Refer to Note 35: Business combinations and Note 36: Interest in controlled entities for further information.

The Locumsgroup Non-controlling interests principal place of business is:
Level 3, 20 Loftus Street
Sydney NSW 2000

The principal place of business of CFL Property Pty Ltd is now deemed to be the same as the Group.

Control and Voting Rights
On 29 February 2016, Vertua Limited effectively acquired 50% ownership and the control over "The Locumsgroup" for consideration of $2,806,123 with a deferred amount of $839,090 payable on or before 30 June 2016. The terms give Vertua Limited equal representation on the board of Locumsgroup. The Group furthermore has the right to obtain the residual 50% from Locumsgroup via a put and call option agreement between both parties.

No guarantees or protective rights are in place in regards to the Non-controlling interest.

	Consolidated	
	2016	**2015**
	$	**$**
Non-controlling interest	1,653,291	-

Note 26. Equity - non-controlling interest (continued)

	Consolidated 2016 $	2015 $
Non-controlling interest - Locumsgroup	1,340,219	-
Non-controlling interest - CFL Property Pty Ltd	285,098	-
Profit attributable to Non-controlling interest	27,974	-
	1,653,291	-

The financial information attributable to the Non-controlling interest in the Group is detailed below:

Total assets - $2,830,420 (2015: $Nil)

Total liabilities - $1,205,103 (2015: $Nil)

Profit for the period - $27,974 (2015: $Nil)

Note 27. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 28. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Board of the Group monitors these risk factors as part of regular reviews of financial performance and the portfolio.

The Audit and Risk Committee (ARC) has been delegated responsibility by the Board of Directors for, amongst other issues, monitoring and managing financial risk exposures of the Group. The ARC monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to counter party credit risk, financing risk and interest rate risk. The ARC met three times during the year and its minutes are reviewed by the Board.

The ARC's overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on its financial performance. Its functions include the review of credit risk policies and future cash flow requirements

Market risk

Price risk
The Group's financial assets, totalling $3,368,959 (2015: $Nil), are units held in unit trusts. An increase/decrease in price of 500 (2015: 500) basis points would have a favourable/(unfavourable) effect on profit before tax of $169,608/$(169,608) (2015: $Nil/$(Nil)). The percentage change is based on the expected volatility of price movements using market data and analysts forecasts.

Interest rate risk
Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

At 31 March 2016 the Group had a variety of secured and unsecured lenders.

The Group’s exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities is set out below:

Note 28. Financial instruments (continued)

Consolidated	2016 Weighted average interest rate %	2016 Balance $	2015 Weighted average interest rate %	2015 Balance $
Cash and cash equivalents	1.75%	840,244	1.75%	351,879
CommBank Mortgages Bill Line	2.75%	(1,380,000)	-	-
Related party payables	6.62%	(4,834,981)	12.00%	(1,774,670)
Convertible note	-	(847,701)	-	-
Westpac Banking Corporation	-	-	6.12%	(1,182,174)
Net exposure to cash flow interest rate risk		(6,222,438)		(2,604,965)

For the Group the cash and cash equivalents on hand, totalling $840,244 (2015: $351,879), are deposits held at call with financial institutions. An official increase/decrease in interest rates of 100 (2015: 100) basis points would have a favourable/(unfavourable) effect on profit before tax of $8,402/$(8,402) (2015: $3,519/$(3,519)). The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

Interest rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market interest rates. Any financial instruments with fixed interest rates exposes the Group to fair value interest rate risk, whereas with floating interest rates, the Group is exposed to cash flow interest rate risk.

For the Group the bank loans outstanding, totalling $1,380,000 (2015: $1,182,174), are principal and interest payment loans. Monthly cash outlays of approximately $29,836 (2015: $23,777) per month are required to service the interest payments. An official increase/decrease in interest rates of 100 (2015: 100) basis points would have an (adverse)/favourable effect on profit before tax of $62,150/$(62,150) (2015: $11,821/$(11,821)) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

Credit risk
A credit risk is the risk of default on a debt that may arise from a borrower failing to make required payments. In the first resort, the risk is that of the lender and includes lost principal and interest, disruption to cash flows, and increased collection costs.

The maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date as summarised below.

	Consolidated 2016 $	Consolidated 2015 $
Classes of financial assets - carrying amounts		
Cash and cash equivalents	840,244	351,879
Accounts receivable	3,546,054	3,570,117
Financial assets	3,368,959	-
Total	7,765,829	3,921,996

Note 28. Financial instruments (continued)

Management regularly perform reviews across the Group for any accounts receivable that may not be settled. The Accounts receivable position across the Group does not lead management to believe any amounts should be impaired. All of the Accounts receivable in Horizon Print Management are subject to debtor insurance and thus the risk of impairment is low. Active management of the Locumsgroup receivables plus related party relationships with Fiducia transactions result in the credit risk being deemed to be low by management.

The Group has no significant contribution of credit risk with any single counter party or group of counter parties.

Credit risk related to balances with banks and other financial institutions is managed by the Audit Risk Committee (ARC) in accordance with approved Board policy. Surplus funds are only invested with Australian major financial institutions.

Management have made an assessment that the investments in projects are highly likely to be completed successfully and therefore impairment charges are not required as at 31 March 2016. The financial assets are managed by the Locumsgroup and Vertua respectively. Management regularly review the investments for impairment, as at 31 March 2016 management have made an assessment that no impairment charges are required.

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

- Maintaining a reputable credit profile.
- Managing credit risk related to financial assets.
- Investing surplus cash with major financial institutions.
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Group's policy is to ensure that the majority of its borrowings for real estate investment should mature beyond projected disposal dates at all times.

The Group also has undrawn facilities with the Manning Group to assist with any difficulties that the Group may encounter.

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid.

Consolidated - 2016	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Financial assets - cash flows realisable						
Cash and cash equivalents	1.75%	840,244	-	-	-	840,244
Trade receivables	-	3,556,626	-	-	-	3,556,626
Financial assets	-	3,368,959	-	-	-	3,368,959
Financial liabilities - due for payment						
Trade payables	-	(2,906,307)	-	-	-	(2,906,307)
CommBank Mortgages Bill Line	2.75%	(1,380,000)	-	-	-	(1,380,000)
Related party payables	6.62%	-	-	(4,834,981)	-	(4,834,981)
Convertible note	-	-	-	(847,701)	-	(847,701)
Total non-derivatives		3,479,522	-	(5,682,682)	-	(2,203,160)

Note 28. Financial instruments (continued)

Consolidated - 2015	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Financial assets - cash flows realisable						
Cash and cash equivalents	1.75%	351,879	-	-	-	351,879
Trade receivables	-	3,570,117	-	-	-	3,570,117
Financial liabilities - due for payment						
Trade payables	-	(2,251,426)	-	-	-	(2,251,426)
Related party payables	12.00%	-	-	(1,774,670)	-	(1,774,670)
Westpac Banking Corporation	6.12%	(1,182,174)	-	-	-	(1,182,174)
Total non-derivatives		488,396	-	(1,774,670)	-	(1,286,274)

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 29. Fair value measurement

Fair value hierarchy
The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2016	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial assets	-	-	3,368,959	3,368,959
Total assets	-	-	3,368,959	3,368,959
Liabilities				
Secured liabilities	-	-	4,514,981	4,514,981
Total liabilities	-	-	4,514,981	4,514,981

Consolidated - 2015	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Secured liabilities	-	-	3,088,911	3,088,911
Total liabilities	-	-	3,088,911	3,088,911

There were no transfers between levels during the financial year.

Note 29. Fair value measurement (continued)

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques which include the use of arm's length transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models and other valuation techniques that provide a reliable estimate of the value obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions. For other pricing models, inputs are based on market data at the end of the reporting period.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions held.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Note 30. Key management personnel disclosures

Directors
The following persons were Directors of Vertua Limited during the financial year:

Christopher Bregenhoj
Benjamin Doyle
James Manning

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2016 **$**	**2015 (9 Months)** **$**
Short-term employee benefits	276,482	42,480
Post-employment benefits	7,361	-
Long-term benefits	826	-
	284,669	42,480

Short-term employee benefits
These amounts include fees and benefits paid to executive and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to other KMP.

Share-based payments
These amounts represent the expense related to participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 31 March 2016 and the period ended 31 March 2015.

Note 31. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton, the auditor of the Company:

	Consolidated	
	2016 $	2015 (9 Months) $
Audit services -		
Audit or review of the financial statements	38,300	15,020
Other services -		
Preparation of the tax return	6,820	3,500
	45,120	18,520

Note 32. Commitments

The future minimum operating lease payments are detailed below.

There is no option to renew the lease for the Locumsgroup as the building is scheduled for demolition in 3 years. The Horizon Print Management lease expires on 31 December 2017.

	Consolidated	
	2016 $	2015 $
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	215,449	42,600
One to five years	184,937	74,550
	400,386	117,150

Note 33. Related party transactions

Parent entity
Vertua Limited is the parent entity.

Controlled entities
Interests in controlled entities are set out in note 36.

Key management personnel
Disclosures relating to key management personnel are set out in note 30 and the remuneration report included in the Directors' report.

Note 33. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated 2016 $	Consolidated 2015 (9 Months) $
Management and administration fees:		
First Equity Taxation Services Pty Ltd	199,493	12,000
Fiducia Development Group Pty Ltd*	-	1,200
Woolcott Corporate Development Pty Ltd	-	18,200
Younis & Co Pty Ltd	-	300
Fiducia Estate Agents Pty Ltd*	-	4,860
Project management services:		
Fiducia Development Group Pty Ltd*	13,500	68,812
Interest payments:		
Joe Public Holdings Pty Ltd*	843	3,935
The Manning Group	150,788	10,901
Woodville Super Pty Ltd	1,440	-
Profit share of projects:		
Fiducia Development Group Pty Ltd*	-	90,000

* In the current financial year, the Company acquired Joe Public Holdings Group, comprising Joe Public Holdings Pty Ltd, Fiducia Group Pty Ltd, Fiducia Development Group Pty Ltd and Fiducia Property Group Pty Ltd. Related party transactions that were previously disclosed are now eliminated on consolidation. Those disclosed above in the 2016 period from Fiducia Development Group Pty Lts and Joe Public Holdings Pty Ltd related to related party transactions which occurred prior to acquisition and were accordingly not eliminated on consolidation.

Regarding the acquisition of Joe Public Holdings Pty Ltd, CFL Property Pty Ltd and RB Partners Pty Ltd, the vendors included related parties of the Group.

Management and administration fees:
Vertua Limited has paid fees relating to the management and operation of Vertua, including accounting and taxation advice, general administration, company secretarial and the provision of office services.

Project management services:
Vertua Limited has paid fees relating to the Lane Cove project, a project in which it holds an interest.

Interest payments:
Vertua Limited has paid interest payments on related loan expense.

Profit on share of projects:
Vertua Limited has paid profit shares relating to the Lane Cove Project.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Note 33. Related party transactions (continued)

Loans from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated 2016 $	Consolidated 2015 $
The Manning Group	2,339,345	1,105,259
Manning Capital Pty Ltd	1,700,000	-
Esplanade Super Pty Ltd	265,212	-
Holicarl Pty Ltd	265,212	-
Woodville Super Pty Ltd	265,212	-
Calvert Investments	-	515,476
Joe Public Holdings	-	153,955
	4,834,981	1,774,690

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 34. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2016 $	Parent 2015 (9 Months) $
Profit/(loss) after income tax	1,737,958	(321,345)
Total comprehensive income	1,737,958	(321,345)

Statement of financial position

	Parent 2016 $	Parent 2015 $
Total current assets	8,774,667	4,771,242
Total assets	10,616,419	6,198,080
Total current liabilities	339,422	4,431,766
Total liabilities	4,951,956	5,537,025
Equity		
Issued capital	4,704,398	4,704,398
Equity reserve	3,265,420	-
Accumulated losses	(2,305,355)	(4,043,313)
Total equity	5,664,463	661,055

Note 34. Parent entity information (continued)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 March 2016 or 31 March 2015.

Contingent liabilities
The parent entity had no contingent liabilities as at 31 March 2016 or 31 March 2015.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 31 March 2016 or 31 March 2015.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 35. Business combinations

Acquisition of Joe Public Holdings Pty Ltd
The acquisition by the Company of Joe Public Holdings Pty Ltd is regarded as a business combination involving companies under common control.

Common control transactions are specifically scoped out of AASB 3: Business Combinations and management therefore have applied their best judgement to develop an accounting policy to accurately disclose the nature of the acquisition in accordance with AASB 108: Accounting policies, changes in accounting estimates and errors.

Although common control combinations are specifically outside the scope of AASB 3: Business Combinations, in management's view, its principles can nevertheless be applied by analogy. The directors have therefore applied the acquisition method principles in accordance with AASB 3: Business Combinations in accounting for the acquisition of Joe Public Holdings Pty Ltd.

The above policy is considered to be consistent with other business combinations that have taken place in previous years.

On 30 November 2015, Vertua Limited acquired 100% of the ordinary shares of Joe Public Holdings Pty Ltd (JPH) the total consideration transferred was the issue of 40,000,000 convertible notes at $0.15. Due to the terms of the convertible notes this has been discounted to a present value of $4,183,263 and resulting in a gain on bargain purchase of $1,328,722. JPH is a property development business and operates in the property division of the Group. It was acquired to further Vertua Limited's expansion into the property development market. The acquired business contributed revenues of $681,793 and a loss of $419,279 to the Group for the period from 1 December 2015 to 31 March 2016. If the acquisition had occurred on 1 April 2015, the full year contributions would have been revenues of $3,268,185 and a loss of $73,756. The values identified in relation to the acquisition of Joe Public Holdings Pty Ltd are provisional as at 31 March 2016.

	Fair value $
Cash and cash equivalents	801,573
Trade receivables	46,632
Other receivables	1,526,780
Investments in projects	1,408,722
Other current assets	82,267
Plant and equipment	98,904
Contractual rights	1,683,068
Trade payables	(123,263)
Provision for income tax	(12,698)
Net assets acquired	5,511,985
Gain on bargain purchase	(1,328,722)
Acquisition-date fair value of the total consideration transferred	4,183,263
Representing:	
Present value of convertible note instrument - equity	3,404,562
Present value of convertible note instrument - liability	778,701
	4,183,263

Note 35. Business combinations (continued)

Acquisition of The Locumsgroup
On 29 February 2016, Vertua Limited acquired 50% ownership and the control over "The Locumsgroup" for consideration of $2,806,123 with a deferred amount of $839,090 payable on or before 30 June 2016. Vertua Limited furthermore has entered a put & call option agreement with the vendors of Locumsgroup granting exclusive option to either party to transact on the residual 50% of the holding in the Locumsgroup business by 31 March 2020 for a consideration equal to the average EBITDA of The Locumsgroup business for the three years prior to the transaction. Locumsgroup is an accounting and advisory business and operates in the professional services division of the Group. It was acquired to further Vertua Limited's expansion into the professional and advisory division of Vertua Limited. The goodwill of $1,518,462 is considered to reflect the future profits and synergies that are expected to flow towards the Group through various cross-sale opportunities.

The acquired business contributed revenues of $213,406 and a profit after tax of $55,948 to the Group for the period from 1 March 2016 to 31 March 2016, of which $27,974 is attributable to non-controlling interest. If the acquisition had occurred on 1 April 2015, the full year contributions would have been revenues of $2,139,296 and a profit after tax of $258,356.

The values identified in relation to the acquisition of The Locumsgroup are provisional as at 31 March 2016.

	Fair value $
Cash and cash equivalents	28,731
Trade receivables	150,072
Other receivables	540,469
Plant and equipment	16,830
Customer relationships	1,467,971
Net present value of trail commission income	1,113,718
Trade payables	(134,154)
Other payables	(84,741)
Provision for income tax	(312,461)
Other provisions	(71,244)
Other liabilities	(87,311)
Net assets of Locumsgroup	2,627,880
Acquisition-date fair value of 50% acquired by Vertua Limited	1,287,661
Goodwill	1,518,462
Acquisition-date fair value of the total consideration transferred	2,806,123
Representing:	
Cash paid to vendor	1,967,033
Deferred settlement liability	839,090
	2,806,123

Note 35. Business combinations (continued)

Acquisition of RB Partners Pty Ltd as a trustee for Rising Bird Partners Unit Trust
On 31 March 2016, Vertua Limited acquired 100% of the ordinary shares of RB Partners Pty Ltd for the total consideration of $1,700,000. This entity operates in the property segment of the Group. The consideration transferred was equal to the fair value of the net assets of RB Partners Pty Ltd.

The acquired business contributed revenues of $Nil and a profit of $Nil to the Group for the period to 31 March 2016. If the acquisition had occurred on 1 April 2015, the full year contributions would have been revenues of $Nil and a loss of $2,443. The values identified in relation to the acquisition of RB Partners Pty Ltd are provisional as at 31 March 2016.

	Fair value **$**
Investments in projects	1,703,443
Trade payables	(2,200)
Other payables	(1,243)
Net assets acquired	1,700,000
Goodwill	-
Acquisition-date fair value of the total consideration transferred	1,700,000
Representing:	
Cash payable to vendor	1,700,000

Acquisition of CFL Property Pty Ltd as a trustee for CFL Property Unit Trust
On 31 March 2016, Vertua Limited acquired 80% of the ordinary shares of CFL Property Pty Ltd for the total consideration of $1,060,000. In addition, Vertua Limited issued share option to the respective counterparties of CFL Property Pty Ltd acting as trustee for CFL Property Unit Trust as part of finance arrangements of that transaction. The three vendors were issued with 1,350,000 share options each having a call price of $0.20 with a nil premium.

This entity operates in the property segment of the Group. The consideration transferred was less than the fair value of the net assets of CFL Property Pty Ltd and resulted in a gain on bargain purchase of $80,401. The acquired business contributed revenues of $Nil and a loss of $Nil to the Group for the period to 31 March 2016. If the acquisition had occurred on 1 April 2015, the full year contributions would have been revenues of $296,037 and a net profit after tax of $152,784. The values identified in relation to the acquisition of CFL Property Pty Ltd are provisional as at 31 March 2016.

	Fair value **$**
Cash and cash equivalents	13,363
Trade receivables	156,326
Other receivables	279,374
Buildings	2,072,072
Plant and equipment	327,927
Trade payables	(22,138)
Other payables	(21,423)
Bank loans	(1,380,000)
Net assets of CFL Property Pty Ltd	1,425,501
Acquisition-date fair value of 80% acquired by Vertua Limited	1,140,401
Gain on bargain purchase	(80,401)
	1,060,000
Representing:	
Cash payable to vendor	1,060,000

Note 35. Business combinations (continued)

The gain on bargain purchase of $80,401 in relation to CFL Property Pty Ltd is shown in Note 6. The acquisition resulted in a gain on bargain purchase due to the low value of the building acquired. The gain on bargain purchase of $1,328,722 in relation to the acquisition of JPH is also due to the fair value of the convertible notes issued as consideration being lower than the net assets acquired upon acquisition, and the gain also forms part of Note 6.

Non-controlling interest has been measured at fair value upon acquisition date. This amount totals $1,340,219 for the acquisition of the Locumsgroup and $285,098 for the acquisition of CFL Property Pty Ltd.

If all of the acquisitions above occurred on 1 April 2015, the full year contributions would have been revenues of $5,703,518 and a profit after tax of $334,931.

	Consolidated	
	2016 $	2015 (9 Months) $
Cash used to acquire business, net of cash acquired:		
Acquisition-date fair value of the total consideration transferred	1,967,033	525,000
Less: cash and cash equivalents	(843,667)	(112,707)
Net cash used	1,123,366	412,293

Note 36. Interests in controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2016 %	2015 %
Vertua Investments Limited	Australia	100.00%	100.00%
Horizon Print Management Pty Ltd	Australia	100.00%	100.00%
Vertua Nominees Pty Ltd	Australia	100.00%	-
RB Partners Pty Ltd	Australia	100.00%	-
CFL Property Pty Ltd	Australia	80.00%	-
The Locumsgroup consists of the following entities:			
Locumsgroup Asset Management Pty Ltd	Australia	50.00%	-
Locumsgroup Sydney Pty Ltd	Australia	50.00%	-
Locumsgroup Core Unit Trust	Australia	50.00%	-
Locumsgroup Finance Trust No. 2	Australia	50.00%	-
Braxton Unit Trust	Australia	50.00%	-
Locumsgroup Private Accounting Services Pty Ltd	Australia	50.00%	-
The Joe Public Holdings Group consists of the following entities:			
Joe Public Holdings Pty Ltd	Australia	100.00%	-
Fiducia Group Pty Ltd	Australia	100.00%	-
Fiducia Development Group Pty Ltd	Australia	100.00%	-
Fiducia Property Group Pty Ltd	Australia	100.00%	-
FPG No.1 Pty Ltd (Dormant)	Australia	100.00%	-

On 29 February 2016, Vertua Limited effectively acquired 50% ownership and the control over "The Locumsgroup" for consideration of $2,806,123 with a deferred amount of $839,090 payable on or before 30 June 2016. The terms give Vertua Limited equal representation on the board of Locumsgroup. The Group furthermore has the right to obtain the residual 50% from Locumsgroup via a put and call option agreement between both parties.

Note 36. Interests in controlled entities (continued)

The accounting periods of the acquisitions during the year are all 31 March except for The Locumsgroup, the accounting period is 30 June. The applicable entities are in the process of having the accounting period changed to align it with that of the rest of the Group.

Note 37. Events after the reporting period

On 10th May 2016, Vertua acquired the remaining 20% in CFL Property Pty Ltd which it did not hold as at 31 March 2016. The Company now holds 100% of CFL Property Pty Ltd. The total consideration paid for the transaction was approximately $270,000. The group has further successfully refinanced the facility with the National Australia Bank, removing the Commonwealth Bank and extending the term of the loan. On the 30th June 2016, the group transferred the property held by CFL Property Pty Ltd to Vertua Limited and subsequently redeemed all the units in the CFL Unit Trust. The entity will be deconsolidated in the 2017 financial year.

On the 14th July 2016, FPG No.1 Pty Ltd as trustee for the FPG No.1 Unit Trust entered into a contract to acquire a property in Chatswood West, NSW. The group has a 50% economic interest in the venture and has secured funding for the investment in the trust as well as at the underlying unit trust level. The group intends to consolidate this entity in the 2017 financial period. The value of the investment in the units is $700,000, which is the group's total liability at this stage to the project. It is expected that Vertua will need to provide National Australia Bank some additional security to fund the underlying development works. At the date of these accounts, the arrangements have not been finalized.

No other matter or circumstance has arisen since 31 March 2016 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 38. Reconciliation of profit/(loss) after income tax to net cash from/(used in) operating activities

	Consolidated	
	2016 $	2015 (9 Months) $
Profit/(loss) after income tax benefit for the year	1,321,123	(83,551)
Adjustments for:		
Depreciation and amortisation	480,590	299
Share-based payments	-	7,500
Capitalised and accrued interest expense	-	81,901
Gain on bargain purchase	(1,409,123)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	377,062	(3,570,117)
Increase in deferred tax assets	(556,665)	(196,500)
Decrease in prepayments and sundry debtors	84,750	(141,808)
Decrease/(Increase) in inventories and property stock	2,842,426	(3,075,373)
Increase in trade and other payables	464,264	2,242,472
Decrease in provision for income tax	(24,126)	-
Increase in other provisions	73,005	35,872
(Decrease)/Increase in deferred income	(2,020,615)	2,099,788
Increase in net assets from business acquisition net of cash	-	115,498
Net cash from/(used in) operating activities	1,632,691	(2,484,019)

Note 39. Earnings per share

	Consolidated 2016 $	Consolidated 2015 (9 Months) $
Profit/(loss) after income tax	1,321,123	(83,551)
Non-controlling interest	(27,974)	-
Profit/(loss) after income tax attributable to the Owners of Vertua Limited	1,293,149	(83,551)

	Consolidated 2016 Number	Consolidated 2015 Number
Weighted average number of Class A shares used in calculating basic earnings per share	9,873,275	9,873,275
Adjustments for calculation of diluted earnings per share:		
Potential conversion of convertible notes	40,000,000	
Options over ordinary shares	13,750,000	-
Weighted average number of Class A shares used in calculating diluted earnings per share	63,623,275	9,873,275

	Cents	Cents
Basic earnings per share	13.1	(0.8)
Diluted earnings per share	2.0	(0.8)

Vertua Limited
Directors' declaration
31 March 2016

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 March 2016 and of its performance for the financial year ended on that date; and

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

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Christopher Bregenhoj
Chairman

7 September 2016

Level 18
King George Central
145 Ann Street
Brisbane QLD 4000
Correspondence to:
GPO Box 1008
Brisbane QLD 4001

T + 61 7 3222 0200
F + 61 7 3222 0444
E info.qld@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report
To the Members of Vertua Limited

Report on the financial report

We have audited the accompanying financial report of Vertua Limited (the "Company"), which comprises the statement of financial position as at 31 March 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes 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. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to 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 internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

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

Auditor's opinion
In our opinion:

a the financial report of Vertua Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the Company's and consolidated entity's financial position as at 31 March 2016 and of their 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 the notes to the financial statements.

Report on the remuneration report
We have audited the remuneration report included in the directors' report for the year ended 31 March 2016. 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 on the remuneration report
In our opinion, the remuneration report of Vertua Limited for the year ended 31 March 2016, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Cameron Smith

CDJ Smith
Partner - Audit & Assurance

Brisbane, 7 September 2016

Vertua Limited
Shareholder information
31 March 2016

Vertua Limited has on issue 9,873,275 fully paid Class A shares held by 320 holders as at 31 March 2016. All Class A shares of the Company carry one vote per share.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders	Shares	% of issued capital
1,001 to 5,000	4	17,712	-
5,001 to 10,000	127	1,067,875	11
10,001 to 100,000	180	3,634,148	40
100,001 and over	9	5,153,540	49
	320	9,873,275	100
Holding less than a marketable parcel	-	-	-

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

Investor name	Total shares	% of issued capital
Holicarl Pty Ltd	1,590,900	16.11
Manning Custodian Pty Ltd	1,525,616	15.45
Lily Bordeaux Pty Ltd	620,451	6.28
Woodville Super Pty Limited	430,913	4.36
Calvert Investments Pty Ltd	374,408	3.79
Mr David Leon	261,252	2.65
Benjamin John Doyle and Marie Christina Ashley	125,000	1.27
Mr Ian Crawford Maxwell and Mrs Philippa Jane Maxwell	125,000	1.27
Mr William Lyon	100,000	1.01
Peter Schaap and Pauline Schaap	90,000	0.91
Ms Joanne Maree Baulch	80,000	0.81
Mr Craig Alexander Godham	72,000	0.73
Mr Trever John O'Shea and Mrs Joanne Elsie O'Shea	50,000	0.51
Kizun Pty Ltd	43,200	0.44
C & AC Pty Ltd	40,500	0.41
Francis Stuart Albrecht and Anne Voilet Albrecht	40,000	0.41
L & J Martin Pty Ltd	40,000	0.41
Peter Richards	40,000	0.41
Mr Michael Alan Brown	37,500	0.38
Mr Christopher P Eldridge and Mrs Ann E Eldridge	37,500	0.38
	5,724,240	57.99