



VERTUA LTD

Level 5, 97 Pacific Highway
PO BOX 889
North Sydney, NSW 2060
P | +61 2 8624 6195
E | info@vertua.com.au

13 December 2016

By E-Lodgment

National Stock Exchange
Level 2, 117 Scott Street
Newcastle, NSW 2300

½ YEAR RESULTS – PERIOD ENDING 30 SEPTEMBER 2016

Vertua Limited is pleased to release to the market its results for the half year ended 30 September 2016.

The 6-month period has been one of consolidation for the group whereby we have worked to establish better reporting and control mechanisms within the various entities, while focusing on establishing the right foundations for growth moving forward.

The published results reflect a loss to Vertua of \$577,098.

The underlying EBITDA was \$793,659. Critically approximately \$916,227 of combined interest and amortization have been reported due to various accounting standards which have been applied to the acquisition of Joe Public Holdings Pty Ltd. These accounting based entries do not affect the underlying economic performance of the group.

When measured on the EBITDA level the group's performance for the 6-month period continues the trajectory established at 31 March 2016 of strong underlying performance and wealth creation.

Looking Forward

The company is excited by the growth and underlying performance of the business. We will not be providing any forward guidance; however, we expect the underlying businesses to perform in line with the 6 months to 30 September. There is however significant uncertainty in the timing of property related project completion dates which may affect the ultimate outcome at 31 March 2017.

James Manning
Managing Director

Vertua Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Vertua Limited
ACN:	108 076 295
Reporting period:	For the half-year ended 30 September 2016
Previous period:	For the half-year ended 30 September 2015

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	3.01% to	8,959,512
Loss from ordinary activities after tax attributable to the Owners of Vertua Limited	down	658.6% to	(688,680)
Loss for the half-year attributable to the Owners of Vertua Limited	down	658.6% to	(688,680)

Dividends

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

Comments

The loss for the Group after providing for income tax and non-controlling interest amounted to \$688,680 (30 September 2015: profit of \$123,297).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	29.36	24.76

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

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

Previous period

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half Yearly Report.

11. Signed

A handwritten signature in black ink, appearing to be 'Christopher Bregenhoj', written over a faint, stylized triangular graphic.

Christopher Bregenhoj
Chairman

13 December 2016

Vertua Limited

ACN 108 076 295

Half Yearly Report - 30 September 2016

Vertua Limited
Directors' report
30 September 2016

The Directors of Vertua Ltd ('Vertua') present their report, together with the financial statements of the Consolidated Entity, being Vertua ('the Company') and its controlled entities ('the Group') for the half-year ended 30 September 2016.

Directors

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

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

Principal activities

During the financial half-year the principal continuing activities of the Group consisted of:

- Property development
- Print services
- Professional services

The company has maintained its operational strategy set out previously in the period to 31 March 2016, namely the operation of the three divisions of Vertua Limited. There have been a number of performance updates worth sharing with shareholders as to the specific performance of each division.

Property development has had a significant realization event, being the sale of the interest in the Alexandria Hotel to the Hemmes Group. This was a highly profitable transaction for the group. The property team has further acquired a number of other sites in conjunction with various funding partners throughout the period, principally a number of smaller projects which offer the group the ability to begin to leverage our financial position. Our newest exposure is a project in Chatswood, which has a non-controlling partner. It is a reflection of the group's ability to identify and execute development opportunities with the amalgamation of the Fiducia group within Vertua.

The print group continues to perform above expectations. We are currently exploring a number of opportunities for the business expansion case. We must continue to expand this business and get a larger critical mass should we want to hold on to this division in the long run. Alternately we should look at avenues to exit the division. At this stage the board is comfortable with the growth prospects of this division.

The bedding down of the Locumsgroup acquisition continues to occur. While we have had a stake since 1 March 2016, the group has only recently started to implement changes in the business. We are currently overhauling the back end processes within the group to establish a platform from which we can grow the professional services division. There have been a number of cross-selling opportunities which we continue to explore with the property team. While we don't expect any cost synergies at this stage, we do expect cross-sales to occur to customers which should grow the overall opportunities of the group.

Operating and financial review

The loss for the Group after providing for income tax and non-controlling interest amounted to \$688,680 (30 September 2015: profit of \$123,297).

Vertua Limited
Directors' report
30 September 2016

The statement of financial position has significantly changed due to the effect of the business combinations during the preceding financial year.

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:

Events within the property sector are mentioned within the principle activities section of this report.

Mr. Benjamin Doyle continues to act as the Director of Fiducia Group, the property divisions' principal operating business. Mr. Doyle is also a Director of Vertua and he is committed to the business and provides valuable experience in specifically residential development.

We continue to seek commercial to expand into commercial development, as well as diversifying the income profile of the property division away from the lumpy cash flow and performance associated with the development cycle. The group is exploring various property management rights avenues as the principle mechanism for this.

Printing:

Further to the update provided in the principal activities section of this report, we are pleased to see that the increased turnover is resulting in bottom line results now for the printing group.

Mr. Stuart Page continues to act as the Director of Horizon Print Management and the printing division's CEO. Mr. Page's performance in this business continues to be outstanding as he guides the business through growth in an ever changing industry environment.

Professional Services:

The Locumsgroup continues to perform to the expectations of the board. 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. We continue to explore expansion opportunities while reviewing the operational efficiencies we can extract.

Significant changes in the state of affairs

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

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 immediately after this Directors' report.

Vertua Limited
Directors' report
30 September 2016

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'Christopher Bregenhøj', written over a large, faint, stylized 'V' shape that serves as a background for the signature.

Christopher Bregenhøj
Chairman

13 December 2016

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF VERTUA LIMITED**

I declare that, to the best of my knowledge and belief during the period ended 30 September 2016 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.



William Buck
Chartered Accountants
ABN 16 021 300 521



L. E. TUTT
Partner
Dated this 13th day of December, 2016

**CHARTERED ACCOUNTANTS
& ADVISORS**

Sydney Office
Level 29, 66 Goulburn Street
Sydney NSW 2000
Telephone: +61 2 8263 4000

Parramatta Office
Level 7, 3 Horwood Place
Parramatta NSW 2150
PO Box 19
Parramatta NSW 2124
Telephone: +61 2 8836 1500
williambuck.com

Vertua Limited
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Vertua Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 30 September 2016

		Consolidated	
	Note	6 months to 30 September 2016 \$	6 months to 30 September 2015 \$
Revenue		8,842,042	8,637,333
Other income		117,470	60,698
		<u>8,959,512</u>	<u>8,698,031</u>
Cost of sales		(5,630,368)	(7,789,366)
		<u>3,329,144</u>	<u>908,665</u>
Gross profit			
Expenses			
Management fees		(120,000)	(30,000)
Directors fees		(30,000)	(28,487)
Finance costs		(515,725)	(77,470)
Professional fees		(348,949)	(233,117)
Property costs		(150,436)	(19,023)
Advertising and promotion		(32,869)	(9,246)
Other expenses from ordinary activities		(336,871)	(113,665)
Employee costs		(1,516,360)	(234,246)
Depreciation and amortisation expense		(843,009)	(2,014)
		<u>(565,075)</u>	<u>161,397</u>
Profit/(loss) before income tax expense			
Income tax expense		(12,023)	(38,100)
		<u>(577,098)</u>	<u>123,297</u>
Profit/(loss) after income tax expense for the half-year			
Other comprehensive income for the half-year, net of tax		-	-
		<u>(577,098)</u>	<u>123,297</u>
Total comprehensive income/(loss) for the half-year			
Profit/(loss) for the half-year is attributable to:			
Non-controlling interest		111,582	-
Owners of Vertua Limited		(688,680)	123,297
		<u>(577,098)</u>	<u>123,297</u>
Total comprehensive income/(loss) for the half-year is attributable to:			
Non-controlling interest		111,582	-
Owners of Vertua Limited		(688,680)	123,297
		<u>(577,098)</u>	<u>123,297</u>
		Cents	Cents
Basic earnings per share	16	(7.0)	1.3

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 30 September 2016

		Consolidated	
	Note	30 September 2016 \$	31 March 2016 \$
Assets			
Current assets			
Cash and cash equivalents		933,411	840,244
Trade and other receivables		4,922,149	4,595,396
Inventory and work in progress	4	3,720,607	232,947
Financial assets	5	3,442,736	3,368,959
Net present value of trail commission income		362,506	292,899
Total current assets		<u>13,381,409</u>	<u>9,330,445</u>
Non-current assets			
Property, plant and equipment		2,671,621	2,755,799
Intangible assets	6	4,166,543	4,812,805
Deferred tax	7	708,649	657,452
Net present value of trail commission income		751,212	820,819
Total non-current assets		<u>8,298,025</u>	<u>9,046,875</u>
Total assets		<u>21,679,434</u>	<u>18,377,320</u>
Liabilities			
Current liabilities			
Trade and other payables		3,897,710	3,272,049
Income tax		118,037	90,934
Provisions		225,908	164,166
Deferred settlement liability	8	6,204	529,700
Total current liabilities		<u>4,247,859</u>	<u>4,056,849</u>
Non-current liabilities			
Financial liabilities	9	3,400,000	1,380,000
Financial liabilities measured at amortised cost		6,966,595	5,682,682
Total non-current liabilities		<u>10,366,595</u>	<u>7,062,682</u>
Total liabilities		<u>14,614,454</u>	<u>11,119,531</u>
Net assets		<u><u>7,064,980</u></u>	<u><u>7,257,789</u></u>
Equity			
Issued capital	10	4,704,398	4,704,398
Convertible notes		3,265,420	3,265,420
Accumulated losses		(3,247,076)	(2,586,370)
Equity attributable to the Owners of Vertua Limited		4,722,742	5,383,448
Non-controlling interest	11	2,342,238	1,874,341
Total equity		<u><u>7,064,980</u></u>	<u><u>7,257,789</u></u>

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

Vertua Limited
Statement of changes in equity
For the half-year ended 30 September 2016

	Issued capital \$	Convertible notes \$	Retained losses \$	Non-controlling interest \$	Total equity \$
Consolidated					
Balance at 1 April 2015	4,704,398	-	(3,879,519)	-	824,879
Profit after income tax expense for the half-year	-	-	123,297	-	123,297
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	123,297	-	123,297
Balance at 30 September 2015	<u>4,704,398</u>	<u>-</u>	<u>(3,756,222)</u>	<u>-</u>	<u>948,176</u>
	Issued capital \$	Convertible notes \$	Retained losses \$	Non-controlling interest \$	Total equity \$
Consolidated					
Balance at 1 April 2016	4,704,398	3,265,420	(2,586,370)	1,653,291	7,036,739
Profit/(loss) after income tax expense for the half-year	-	-	(688,680)	111,582	(577,098)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	(688,680)	111,582	(577,098)
Non-controlling interest movements during the period	-	-	-	605,339	605,339
Non-controlling interest waived	-	-	27,974	(27,974)	-
Balance at 30 September 2016	<u>4,704,398</u>	<u>3,265,420</u>	<u>(3,247,076)</u>	<u>2,342,238</u>	<u>7,064,980</u>

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

Vertua Limited
Statement of cash flows
For the half-year ended 30 September 2016

		Consolidated	
		6 months to	6 months to
		30 September	30 September
	Note	2016	2015
		\$	\$
Cash flows from operating activities			
Revenue from ordinary activities		9,196,165	8,609,617
Payments to suppliers		(8,808,504)	(6,469,656)
Payments for finance costs		(109,585)	(36,839)
		<u>278,076</u>	<u>2,103,122</u>
Income taxes paid		(36,118)	-
		<u>241,958</u>	<u>2,103,122</u>
Cash flows from investing activities			
Payments for fixed assets		-	(14,048)
Payments for investments	14	-	(350,000)
Payments for intangibles	6	(180,260)	-
Payment for acquisition of non-controlling interest		(250,000)	-
Payment made as part of property developments		(3,005,883)	-
		<u>(3,436,143)</u>	<u>(364,048)</u>
Net cash used in investing activities		<u>(3,436,143)</u>	<u>(364,048)</u>
Cash flows from financing activities			
Repayment of borrowings		-	(1,824,717)
Loans extended to non-controlling interest group		(187,404)	-
Net proceeds received from loans provided by related party		754,756	-
Net proceeds received from bank loan facilities		2,020,000	-
Net proceeds received from non-controlling interest group		700,000	-
		<u>3,287,352</u>	<u>(1,824,717)</u>
Net cash from/(used in) financing activities		<u>3,287,352</u>	<u>(1,824,717)</u>
Net increase/(decrease) in cash and cash equivalents		93,167	(85,643)
Cash and cash equivalents at the beginning of the financial half-year		840,244	351,879
		<u>933,411</u>	<u>266,236</u>
Cash and cash equivalents at the end of the financial half-year		<u>933,411</u>	<u>266,236</u>

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 half-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 VER. 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 13 December 2016.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 September 2016 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 March 2016 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Note 3. 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.

The information reported to the CODM is on a monthly basis.

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.

Note 3. Operating segments (continued)

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 services provided by Horizon Print Management.
Property	Relates to the identification, acquisition, development and sale of development sites by JPH & Fiducia Group.
Professional services	Relates to the accounting, financial planning, mortgage brokerage, real estate advisory and other services provided by Locumsgroup.
Other	Relates to the Groups corporate assets.

All of the Groups segments operate in Australia.

Operating segment information

	Printing	Property	Professional services	Other	Total
	\$	\$	\$	\$	\$
Consolidated - 6 months to 30 September 2016					
Revenue					
Revenue	6,265,257	1,066,594	1,510,192	-	8,842,043
Other	-	77,202	255	40,012	117,469
Total revenue	6,265,257	1,143,796	1,510,447	40,012	8,959,512
Total revenue	6,265,257	1,143,796	1,510,447	40,012	8,959,512
Cost of sales	6,265,257	1,143,796	1,510,447	40,012	8,959,512
Management fees	(5,371,779)	202,583	(461,170)	-	(5,630,366)
Director fees	(30,000)	-	-	(90,000)	(120,000)
Finance costs	-	-	-	(30,000)	(30,000)
Professional fees	(2,016)	(41,328)	(1,455)	(446,212)	(491,011)
Property costs	(31,891)	(38,254)	(10,183)	(268,621)	(348,949)
Advertising and promotion	(20,877)	(21,031)	(65,103)	(43,421)	(150,432)
Other expenses	(18,199)	(5,021)	(9,650)	-	(32,870)
Depreciation and amortisation expense	(55,481)	(54,115)	(91,121)	(160,868)	(361,585)
Employee costs	(20,600)	(699,662)	(95,833)	(26,916)	(843,011)
Profit/(loss) before income tax expense	(428,456)	(320,366)	(728,277)	(39,264)	(1,516,363)
Income tax expense	285,958	166,602	47,655	(1,065,290)	(565,075)
Loss after income tax expense					(577,098)
Assets					
Segment assets	4,875,630	12,283,137	3,461,365	1,059,302	21,679,434
Total assets					21,679,434
Liabilities					
Segment liabilities	2,904,197	8,401,114	314,512	2,994,631	14,614,454
Total liabilities					14,614,454

Liabilities included in the "other" operating segment relate to funding of the Groups operations.

Note 3. Operating segments (continued)

	Printing	Property	Professional services	Other	Total
Consolidated - 6 months to 30 September 2015	\$	\$	\$	\$	\$
Revenue					
Revenue	5,730,800	2,906,533	-	-	8,637,333
Other	-	-	-	60,698	60,698
Total revenue	<u>5,730,800</u>	<u>2,906,533</u>	<u>-</u>	<u>60,698</u>	<u>8,698,031</u>
Segment Revenues	5,730,800	2,906,533	-	60,698	8,698,031
Cost of sales	(5,149,039)	(2,640,327)	-	-	(7,789,366)
Management fees	(30,000)	-	-	-	(30,000)
Director fees	-	-	-	(28,487)	(28,487)
Finance costs	(1,975)	-	-	(75,495)	(77,470)
Professional fees	(59,512)	-	-	(173,605)	(233,117)
Property costs	(16,825)	(2,198)	-	-	(19,023)
Advertising and promotion	(404)	(8,842)	-	-	(9,246)
Other expenses	(90,327)	-	-	(23,338)	(113,665)
Depreciation and amortisation expense	(2,014)	-	-	-	(2,014)
Employee costs	(234,246)	-	-	-	(234,246)
Profit/(loss) before income tax expense	<u>146,458</u>	<u>255,166</u>	<u>-</u>	<u>(240,227)</u>	<u>161,397</u>
Income tax expense					(38,100)
Profit after income tax expense					<u>123,297</u>
Consolidated - 31 March 2016					
Assets					
Segment assets	3,413,015	8,177,157	3,241,640	3,545,508	18,377,320
Total assets					<u>18,377,320</u>
Liabilities					
Segment liabilities	2,358,798	2,771,898	2,211,997	3,776,838	11,119,531
Total liabilities					<u>11,119,531</u>

Note 4. Current assets - inventory and work in progress

	Consolidated	
	30 September 2016	31 March 2016
	\$	\$
Work in progress - print services	637,505	232,947
Work in progress - property stock	3,083,102	-
	<u>3,720,607</u>	<u>232,947</u>

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 5. Current assets - financial assets

	Consolidated	
	30 September	31 March
	2016	2016
	\$	\$
Financial assets: Interests in residential developments held at fair value	3,442,736	3,368,959

The Group has a number of investments in a variety of development projects located in Sydney, NSW. The investments in development projects 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 6. Non-current assets - intangible assets

	Consolidated	
	30 September	31 March 2016
	2016	2016
	\$	\$
Goodwill	1,970,263	2,000,874
Contractual rights	1,683,069	1,683,069
Less: Accumulated amortisation	(1,122,046)	(448,818)
	561,023	1,234,251
Customer relationships	1,592,971	1,592,971
Less: Accumulated amortisation	(114,849)	(15,291)
	1,478,122	1,577,680
Software - at cost	180,260	-
Less: Accumulated amortisation	(23,125)	-
	157,135	-
	4,166,543	4,812,805

	Goodwill	Contractual	Customer	Software	Total
	\$	rights	relationships	\$	\$
Consolidated		\$	\$		
Balance at 1 April 2016	2,000,874	1,234,251	1,577,680	-	4,812,805
Additions	-	-	-	180,260	180,260
Additional interest taken up	(30,611)	-	-	-	(30,611)
Amortisation expense	-	(673,228)	(99,558)	(23,125)	(795,911)
Balance at 30 September 2016	1,970,263	561,023	1,478,122	157,135	4,166,543

Note 7. Non-current assets - deferred tax

	Consolidated	
	30 September	31 March
	2016	2016
	\$	\$
<i>Deferred tax asset comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Tax losses recognised	720,000	687,448
Employee benefits	92,542	81,187
Accrued expenses	1,645	5,701
Revenue received in advance	1,178	594
Accounts payable	-	11,075
Accounts receivable	(106,716)	(128,553)
Deferred tax asset	<u>708,649</u>	<u>657,452</u>

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 \$4,647,884, 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 likely impairment of the deferred tax asset relating to recognised tax losses.

Note 8. Current liabilities - deferred settlement liability

	Consolidated	
	30 September	31 March
	2016	2016
	\$	\$
Deferred settlement liability	529,700	529,700
Loan: Wexford Family Trust	(476,005)	-
Loan: Ex-Pat Capital	(47,491)	-
	<u>6,204</u>	<u>529,700</u>

On 29 February 2016 Vertua Limited acquired control over Locumsgroup for a provisional consideration determined at this date as \$2,806,123 with a deferred consideration component of \$839,090, as reported in the annual financial report.

However, the deferred consideration component has been subject to measurement period adjustments, which in line with reporting requirements has been taken up retrospectively and the comparative position adjusted accordingly. The revised deferred settlement liability amounts to \$529,700 as outlined in note 14.

The acquired business is currently still being integrated into the operations of the listed parent.

The purchase agreement allows for the offset against the deferred settlement liability of certain loan balances relating to the vendor.

Refer to Note 14 for more detail.

Note 9. Non-current liabilities - financial liabilities

	Consolidated	
	30 September 2016	31 March 2016
	\$	\$
CommBank Mortgages Bill Line	-	1,380,000
NAB loan - property development	2,000,000	-
NAB loan - property investment	1,400,000	-
	<u>3,400,000</u>	<u>1,380,000</u>

The CommBank Mortgage Bill Line was replaced with a NAB facility on similar terms and conditions.

The increase in facility was utilised during the period to fund the property acquisition for a new development project (as shown in Note 4) and is secured by title over said property.

Note 10. Equity - issued capital

	Consolidated			
	30 September 2016	31 March 2016	30 September 2016	31 March 2016
	Shares	Shares	\$	\$
Class A shares - fully paid	<u>9,873,275</u>	<u>9,873,275</u>	<u>4,704,398</u>	<u>4,704,398</u>

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.

Note 11. Equity - non-controlling interest

The non-controlling interest relates to 50% shareholding in the Locumsgroup and 50% shareholding of the FPG No.1 Unit Trust held by external parties.

On 10 May 2016 Vertua Limited acquired the remaining 20% shareholding in CFL Property Pty Ltd, valued at \$285,098, for \$250,000, realising a gain of \$35,098. The company now holds 100% of the issued share capital in CFL Property Pty Ltd and the non-controlling interest has been eliminated.

The principal place of business of FPG No.1 Unit Trust is now deemed to be the same as the Group.

	Consolidated	
	30 September 2016	31 March 2016
	\$	\$
Non-controlling interest	<u>2,342,238</u>	<u>1,874,341</u>

Note 11. Equity - non-controlling interest (continued)

	Consolidated	
	30 September	31 March
	2016	2016
	\$	\$
Non-controlling interest - Locumsgroup	1,530,656	1,561,269
Non-controlling interest - CFL Property Pty Ltd	-	285,098
Non-controlling interest - FPG No.1 Unit Trust	700,000	-
Profit attributable to Non-controlling interest	111,582	27,974
	<u>2,342,238</u>	<u>1,874,341</u>

Note 12. Dividends

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

Note 13. Contingent liabilities

There are no contingent liabilities in the current accounting period.

Note 14. Business combinations

The Company had made a number of business acquisitions prior to 31 March 2016. As at 30 September 2016, these acquisitions still fall within the measurement period.

Note 14. Business combinations (continued)

Acquisition of The Locumsgroup

On 29 February 2016, Vertua Limited acquired 50% ownership and the control over "The Locumsgroup" for a provisional consideration of \$2,806,123 with a deferred amount of \$839,090 payable on or before 30 June 2016 as disclosed in the 31 March 2016 financial report. However, the deferred consideration component has been subject to measurement period adjustments, with the revised deferred settlement liability calculated to be \$529,700 as outlined below.

In the half-year period since the acquisition occurred, the net asset position of Locumsgroup as at the date acquisition balance sheet has also been subject to additional measurement period adjustments.

The net effect of identified refinements have resulted in Locumsgroup's net assets increasing by \$433,430 over the net asset position reported in the Group's 31 March 2016 annual report.

In line with reporting requirements, any measurement period adjustments identified during the period ended 30 September 2016 have been taken up retrospectively and the comparative position adjusted accordingly.

The combined effect of the amendments outlined above has resulted in a downward adjustment of goodwill.

	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
Real estate commission receivable	319,045
Trade payables	(134,154)
Other payables	(84,741)
Provision for income tax	(198,076)
Other provisions	(71,244)
Other liabilities	(87,311)
	<hr/>
Net assets of Locumsgroup	3,061,310
	<hr/>
Revised acquisition date fair value of 50% acquired by Vertua Limited	1,530,655
Goodwill	966,078
	<hr/>
Acquisition-date fair value of the total consideration transferred	2,496,733
	<hr/>
Representing:	
Cash paid to vendor	1,967,033
Deferred settlement liability	529,700
	<hr/>
	2,496,733
	<hr/>

Note 15. Events after the reporting period

No matter or circumstance has arisen since 30 September 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 16. Earnings per share

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

Note 16. Earnings per share (continued)

	Consolidated	
	6 months to 30 September 2016	6 months to 30 September 2015
	\$	\$
Profit/(loss) after income tax	(577,098)	123,297
Non-controlling interest	(111,582)	-
Profit/(loss) after income tax attributable to the Owners of Vertua Limited	<u>(688,680)</u>	<u>123,297</u>
	Number	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	<u>9,873,275</u>	<u>9,873,275</u>
As the group is loss making in the current period, potential ordinary shares arising from convertible notes and share options have not been included in the calculation of diluted earnings per share as they are considered anti-dilutive.		
	Cents	Cents
Basic earnings per share	(7.0)	1.3

Vertua Limited
Directors' declaration
30 September 2016

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 September 2016 and of its performance for the financial half-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.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'Christopher Bregenhoj', written over a faint, stylized triangular graphic.

Christopher Bregenhoj
Chairman

13 December 2016

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF VERTUA LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Vertua Limited, which comprises the statement of financial position as at 30 September 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including:

- giving a true and fair view of the company's financial position as at 30 September 2016 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of Vertua Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

CHARTERED ACCOUNTANTS & ADVISORS

Sydney Office
Level 29, 66 Goulburn Street
Sydney NSW 2000
Telephone: +61 2 8263 4000

Parramatta Office
Level 7, 3 Horwood Place
Parramatta NSW 2150
PO Box 19
Parramatta NSW 2124
Telephone: +61 2 8836 1500
williambuck.com

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF VERTUA LIMITED (CONT)

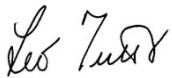
Conclusion

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

- a) giving a true and fair view of the company's financial position as at 30 September 2016 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the *Corporations Regulations 2001*.



William Buck
Chartered Accountants
ABN 16 021 300 521



L.E. Tutt
Partner
Sydney, 13 December 2016