



VERTUA LTD

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7 December 2017

By E-lodgment

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

## **½ YEAR RESULTS – PERIOD ENDING 30 SEPTEMBER 2017**

Vertua Limited is please to release to the market its results for the half year ended 30 September 2017.

The 6-month period has seen further consolidation for the Group, having migrated all business segments of the Group within one account software in their entirety, which will result in better business insights and reporting moving forward.

The published results reflect a loss to Vertua of \$279,288 with an underlying EBITDA of \$322,039.

Approximately \$566,704 of combined interest and amortization charges have been reported in accordance with various accounting standards, carried forward from previous periods. These accounting based entries do not affect the underlying economic performance of the Group.

### **Looking Forward**

The Group is excited by the underlying performance of the business. No forward guidance will be provided however, we expect the business to perform in line with the 6 months to 30 September. We expect the Property segment revenue to increase in the next period as various developments reach their final stages. There still remains however significant uncertainty in the timing of property related project completion dates which may impact the outcome at 31 March 2018.

**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 2017
Previous period:	For the half-year ended 30 September 2016

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**2. Results for announcement to the market**

Revenues from ordinary activities	down	18.71%	to	7,282,890
Loss from ordinary activities after tax attributable to the Owners of Vertua Limited	down	51.60%	to	(279,288)
Loss for the half-year attributable to the Owners of Vertua Limited	down	51.60%	to	(279,288)

*Dividends*

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

*Comments*

The profit for the Group after providing for income tax and non-controlling interest amounted to a loss of \$279,288 (30 September 2016: loss of \$577,098).

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**3. Net tangible assets**

	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net tangible assets per ordinary security	<u>25.88</u>	<u>33.10</u>

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**4. Control gained over entities**

Not applicable.

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**5. Loss of control over entities**

During the period, the Group sold its entire unitholding in FPG No.1 Unit Trust and interest in FPG No.1 Pty Ltd acting as its trustee and consequently its full interest in 144 Fullers Road Pty Ltd.

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**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.

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**8. Details of associates and joint venture entities**

Not applicable.

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**9. Foreign entities**

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

Not applicable.

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**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.

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**11. Signed**

Signed

A handwritten signature in black ink, consisting of a stylized, angular shape with a vertical line extending upwards from the top right.

Date: 7 December 2017

**Vertua Limited**

**ACN 108 076 295**

**Half Yearly Report - 30 September 2017**

**Vertua Limited**  
**Directors' report**  
**30 September 2017**

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 2017.

**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 James Manning (Managing Director)  
Mr Benjamin Doyle

**Principal activities**

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

- Property development
- Print services
- Professional services

The Group has maintained its operational strategy set out previously in the year to 31 March 2017, 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 has undertaken several developments during the period, concluded some and acquired either directly or indirectly interests in new opportunities. The residential development market presents challenges in the current market, namely the limited economically viable sites to acquire and develop. Tightening in bank lending practices have further made the economic viability of many potential sites unable to work. This, along with recent changes in federal law that places restrictions to foreign buyers has seen the property market cool off from the highs of previous years. To counter the change in economic environment, we are exploring several new development opportunities in alternate areas as well as expanding into other areas such as property funds management and commercial development.

Printing continues to perform well. The impact of the loss of a significant client to external administrators in March 2017 has seen revenue drop marginally below budget, however, we have realised an increase in gross profit over the same period (compared to budget). We have concluded a strategic review of the business and are currently executing several opportunities identified in the medium to long term within the industry. We must continue to expand this business and get a larger critical mass should we want to be competitive in the industry. In light of the above, the board is comfortable with the operation and growth prospects of this division.

Locumsgroup is performing at a satisfactory level albeit slightly under budget. The tightening property market has resulted in limited opportunities for the real estate advisory aspect to acquire new sites for clients. Locumsgroup has been undergoing change through this period, having changed office after 20 years in the same location, a re-branding of the business and a new website. In addition, Locumsgroup has migrated in its entirety to the Group's accounting enterprise system which will allow us to gather greater insights into the business with data being captured within a single system. The full integration with the Group will start to realise synergies, efficiencies and insightful reporting. We will continue to roll out initiatives and explore cross-selling opportunities with the property division.

**Dividends**

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

**Operating and financial review**

The profit for the Group after providing for income tax and non-controlling interest amounted to a loss of \$279,288 (30 September 2016: loss of \$577,098).

**Vertua Limited**  
**Directors' report**  
**30 September 2017**

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, is committed to the business and provides valuable experience specifically in residential development and property matters.

We continue to seek opportunities to expand into funds management and 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, Horizon Print Management is performing in line with expectations and budgets. The decline in revenue was expected due to the collapse of a significant client (Ortega Publishing) during the previous period.

We are pleased with Horizon Print Management's performance to date and continue to explore opportunities to achieve efficiencies and scale in an ever-changing industry environment.

**Professional Services:**

Locumsgroup continues to perform to the expectations of the board. This period has been a period of change, having changed offices, updated branding, updated the website and fully integrated the business with the Group's enterprise system. We expect the business will continue to grow 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.

**Changes in the state of affairs**

**Deconsolidation of FPG No 1 Pty Ltd**

Effective 30 September 2017, the Group finalised the full disposal of its entire unit holding in FPG No.1 Unit Trust and interest in FPG No.1 Pty Ltd (the related trustee), and consequently its interest in 144 Fullers Road Pty Ltd. The units were redeemed at \$1 per unit.

There were no other 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.

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



Christopher Bregenhoj  
Chairman  
7 December 2017

**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 2017 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.

A handwritten signature in black ink that reads 'William Buck'.

**William Buck**  
Chartered Accountants  
ABN 16 021 300 521

A handwritten signature in black ink that reads 'Rainer Ahrens'.

Rainer Ahrens  
**Principal**  
Sydney, 7 December 2017

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& ADVISORS**

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**Vertua Limited**  
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**Vertua Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 30 September 2017**

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 September 2017 \$</b>	<b>30 September 2016 \$</b>
Revenue		7,240,812	8,842,042
Other income		42,078	117,470
		<u>7,282,890</u>	<u>8,959,512</u>
Cost of sales		(4,391,067)	(5,630,368)
		<u>2,891,823</u>	<u>3,329,144</u>
<b>Gross profit</b>			
<b>Expenses</b>			
Management fees		(91,091)	(120,000)
Directors fees		(42,889)	(30,000)
Finance costs		(791,411)	(515,725)
Professional fees		(326,420)	(348,949)
Property costs		(151,789)	(150,436)
Advertising and promotion		(33,592)	(32,869)
Other expenses from ordinary activities		(401,355)	(336,871)
Employee costs		(1,522,648)	(1,516,360)
Depreciation and amortisation expense		(293,704)	(843,009)
		<u>(763,076)</u>	<u>(565,075)</u>
<b>Loss before income tax expense</b>			
Income tax benefit /(expense)		483,788	(12,023)
		<u>(279,288)</u>	<u>(577,098)</u>
<b>Loss after income tax expense for the half-year</b>			
Other comprehensive income for the half-year, net of tax		-	-
		<u>(279,288)</u>	<u>(577,098)</u>
<b>Total comprehensive loss for the half-year</b>			
Profit / (Loss) for the half-year is attributable to:			
Non-controlling interest		-	111,582
Owners of Vertua Limited		(279,288)	(688,680)
		<u>(279,288)</u>	<u>(577,098)</u>
Total comprehensive income / (loss) for the half-year is attributable to:			
Non-controlling interest		-	111,582
Owners of Vertua Limited		(279,288)	(688,680)
		<u>(279,288)</u>	<u>(577,098)</u>
Basic earnings per share	24	(2.7)	(7.0)
Diluted earnings per share	24	(2.7)	(7.0)

*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 2017**

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 September 2017 \$</b>	<b>31 March 2017 \$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		666,559	581,075
Trade and other receivables	4	4,900,617	8,182,658
Receivables		26,500	-
Inventories and work in progress	5	367,269	2,443,921
Financial assets	6	1,789,612	1,669,301
Net present value of trail commission income		391,985	381,866
<b>Total current assets</b>		<u>8,142,542</u>	<u>13,258,821</u>
<b>Non-current assets</b>			
Receivables		-	26,500
Investment property	7	879,932	879,932
Property, plant and equipment	8	2,457,050	2,439,119
Intangible assets	9	3,561,955	3,805,778
Deferred tax	10	1,244,591	734,329
Net present value of trail commission income		715,593	697,119
<b>Total non-current assets</b>		<u>8,859,121</u>	<u>8,582,777</u>
<b>Total assets</b>		<u>17,001,663</u>	<u>21,841,598</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	2,726,891	3,195,880
Financial liabilities	12	803,406	2,708,986
Provisions		210,148	152,267
Other current liabilities	13	76,047	74,607
<b>Total current liabilities</b>		<u>3,816,492</u>	<u>6,131,740</u>
<b>Non-current liabilities</b>			
Financial liabilities	14	1,350,000	1,300,000
Other financial liabilities	15	5,537,571	7,073,078
Payables	16	24,264	63,174
<b>Total non-current liabilities</b>		<u>6,911,835</u>	<u>8,436,252</u>
<b>Total liabilities</b>		<u>10,728,327</u>	<u>14,567,992</u>
<b>Net assets</b>		<u>6,273,336</u>	<u>7,273,606</u>
<b>Equity</b>			
Issued capital	17	4,746,557	4,746,557
Convertible notes		3,265,420	3,265,420
Reserves	18	445,504	445,504
Accumulated losses		(3,714,856)	(3,435,568)
Equity attributable to the Owners of Vertua Limited		4,742,625	5,021,913
Non-controlling interest	19	1,530,711	2,251,693
<b>Total equity</b>		<u>6,273,336</u>	<u>7,273,606</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 2017**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Convertible notes \$</b>	<b>Revaluation reserve \$</b>	<b>Retained losses \$</b>	<b>Non- controlling interest \$</b>	<b>Total equity \$</b>
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>-</u>	<u>(3,247,076)</u>	<u>2,342,238</u>	<u>7,064,980</u>

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Convertible notes \$</b>	<b>Revaluation reserve \$</b>	<b>Retained losses \$</b>	<b>Non- controlling interest \$</b>	<b>Total equity \$</b>
Balance at 1 April 2017	4,746,557	3,265,420	445,504	(3,435,568)	2,251,693	7,273,606
Loss after income tax expense for the half-year	-	-	-	(279,288)	-	(279,288)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	(279,288)	-	(279,288)
Non-controlling interest movements during the period	-	-	-	-	(720,982)	(720,982)
Balance at 30 September 2017	<u>4,746,557</u>	<u>3,265,420</u>	<u>445,504</u>	<u>(3,714,856)</u>	<u>1,530,711</u>	<u>6,273,336</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 2017**

	<b>Consolidated</b>	
	<b>6 months to</b>	<b>6 months to</b>
	<b>30 September</b>	<b>30 September</b>
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	7,259,671	9,196,165
Payments to suppliers & employees	(7,044,367)	(8,808,504)
	<u>215,304</u>	<u>387,661</u>
Payments for finance costs	(512,706)	(109,585)
Income taxes paid	(26,474)	(36,118)
	<u></u>	<u></u>
Net cash (used in) / from operating activities	<u>(323,876)</u>	<u>241,958</u>
<b>Cash flows from investing activities</b>		
Payments for property plant & equipment	(53,188)	-
Payments for intangibles	(14,622)	(180,260)
Payment for acquisition of non-controlling interest	-	(250,000)
Payment made as part of property developments	(200,313)	(3,005,883)
Receipts from projects completed (Note 4)	1,700,000	-
	<u></u>	<u></u>
Net cash (used in) investing activities	<u>1,431,877</u>	<u>(3,436,143)</u>
<b>Cash flows from financing activities</b>		
Payment of lease liability	(38,910)	-
Loans extended to non-controlling interest group	(28,505)	(187,404)
Net proceeds received from loans provided by related party	(1,005,102)	754,756
Net proceeds received from bank loan facilities	50,000	2,020,000
Net proceeds received from non-controlling interest group	-	700,000
	<u></u>	<u></u>
Net cash (used in) / from financing activities	<u>(1,022,517)</u>	<u>3,287,352</u>
Net increase in cash and cash equivalents	85,484	93,167
Cash and cash equivalents at the beginning of the financial half-year	581,075	840,244
	<u></u>	<u></u>
Cash and cash equivalents at the end of the financial half-year	<u>666,559</u>	<u>933,411</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 7 December 2017.

## **Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 30 September 2017 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 2017 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.

**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 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 Group's corporate assets.

All of the Group's segments operate in Australia.

*Operating segment information*

	Printing	Property	Professional services	Other	Total
	\$	\$	\$	\$	\$
<b>Consolidated - 6 months to 30 September 2017</b>					
<b>Revenue</b>					
Revenue	5,493,540	625,384	1,120,388	1,500	7,240,812
Other	1,779	7,937	30,486	1,876	42,078
<b>Total revenue</b>	<b>5,495,319</b>	<b>633,321</b>	<b>1,150,874</b>	<b>3,376</b>	<b>7,282,890</b>
Cost of sales	(4,558,497)	213,494	(42,934)	(3,130)	(4,391,067)
Management fees	(30,000)	15,909	-	(77,000)	(91,091)
Director fees	-	-	(2,027)	(40,862)	(42,889)
Finance costs	(242)	(510,657)	(5,822)	(274,690)	(791,411)
Professional fees	(24,228)	(121,463)	(4,750)	(175,979)	(326,420)
Property costs	(8,991)	(58,496)	(84,302)	-	(151,789)
Advertising and promotion	(14,392)	(3,010)	(7,000)	(9,190)	(33,592)
Other expenses	(117,073)	(43,655)	(134,805)	(105,822)	(401,355)
Depreciation and amortisation expense	(15,471)	(126,454)	(98,886)	(52,893)	(293,704)
Employee costs	(479,483)	(309,714)	(598,674)	(134,777)	(1,522,648)
<b>Profit/(loss) before income tax benefit</b>	<b>246,942</b>	<b>(310,725)</b>	<b>171,674</b>	<b>(870,967)</b>	<b>(763,076)</b>
Income tax benefit					483,788
<b>Loss after income tax benefit</b>					<b>(279,288)</b>
<b>Assets</b>					
Segment assets	4,159,601	5,990,247	4,046,177	2,805,638	17,001,663
<b>Total assets</b>					<b>17,001,663</b>
<b>Liabilities</b>					
Segment liabilities	4,412,592	3,891,915	356,769	2,067,051	10,728,327
<b>Total liabilities</b>					<b>10,728,327</b>

Liabilities included in the "other" operating segment relate to funding of the Group's operations.

**Note 3. Operating segments (continued)**

	Printing	Property	Professional services	Other	Total
Consolidated - 6 months to 30 September 2016	\$	\$	\$	\$	\$
<b>Revenue</b>					
Revenue	6,265,257	1,066,594	1,510,192	-	8,842,043
Other	-	77,202	255	40,012	117,469
<b>Total revenue</b>	<u>6,265,257</u>	<u>1,143,796</u>	<u>1,510,447</u>	<u>40,012</u>	<u>8,959,512</u>
Cost of sales	(5,371,779)	202,583	(461,170)	-	(5,630,366)
Management fees	(30,000)	-	-	(90,000)	(120,000)
Director fees	-	-	-	(30,000)	(30,000)
Finance costs	(2,016)	(41,328)	(1,455)	(446,212)	(491,011)
Professional fees	(31,891)	(38,254)	(10,183)	(268,621)	(348,949)
Property costs	(20,877)	(21,031)	(65,103)	(43,421)	(150,432)
Advertising and promotion	(18,199)	(5,021)	(9,650)	-	(32,870)
Other expenses	(55,481)	(54,115)	(91,121)	(160,868)	(361,585)
Depreciation and amortisation expense	(20,600)	(699,662)	(95,833)	(26,916)	(843,011)
Employee costs	(428,456)	(320,366)	(728,277)	(39,264)	(1,516,363)
<b>Profit/(loss) before income tax expense</b>	<u>285,958</u>	<u>166,602</u>	<u>47,655</u>	<u>(1,065,290)</u>	<u>(565,075)</u>
Income tax expense					(12,023)
<b>Loss after income tax expense</b>					<u>(577,098)</u>
<b>Consolidated - 31 March 2017</b>					
<b>Assets</b>					
Segment assets	<u>3,417,469</u>	<u>12,676,869</u>	<u>4,484,909</u>	<u>1,262,351</u>	<u>21,841,598</u>
<b>Total assets</b>					<u>21,841,598</u>
<b>Liabilities</b>					
Segment liabilities	<u>3,567,276</u>	<u>8,983,280</u>	<u>351,203</u>	<u>1,666,233</u>	<u>14,567,992</u>
<b>Total liabilities</b>					<u>14,567,992</u>

Liabilities included in the "other" operating segment relate to funding of the Group's operations.

**Note 4. Current assets - trade and other receivables**

	<b>Consolidated</b>	
	<b>30 September 2017</b>	<b>31 March 2017</b>
	<b>\$</b>	<b>\$</b>
Accounts receivable	3,993,883	5,883,713
Real estate commissions receivable	399,870	362,388
Less: allowance for doubtful debts	(14,534)	(355,243)
	<u>4,379,219</u>	<u>5,890,858</u>
Insurance income receivable	<u>250,000</u>	<u>324,655</u>
Prepayments	54,505	45,251
Sundry debtors	26,792	26,793
Accrued income	<u>190,101</u>	<u>195,101</u>
	<u>271,398</u>	<u>267,145</u>
Loan receivable from completed property development	<u>-</u>	<u>1,700,000</u>
	<u><u>4,900,617</u></u>	<u><u>8,182,658</u></u>

*Impairment of receivables*

The Group had recognised an impairment of the receivables against a Printing segment client that went into formal Administration as at 31 March 2017. The Group recorded a receivable of \$324,655 at 31 March 2017 being the full recovery from the Printing segment credit insurers. During the period, the Printing segment has been negotiating with the credit insurer with respect to the claimed amount. The credit insurer has subsequently acknowledged exposure and settlement negotiations continue. The Printing segment has revised its expected insurance income receivable down to \$250,000 as this reflects the likely outcome from the credit insurance claim based on ongoing discussions and legal advice received to date. There exists a possibility that the Group may settle for a lower sum for commercial settlement of the matter.

During the period, the Group was reimbursed its equity holding in the Astonia project (finalised in March 2017), undertaken through RB Partners Pty Ltd, for the amount of \$1,700,000. At 31 March 2017, the equity became due and payable, with payment being received in April 2017. In light of the finalisation of the development, Vertua Limited no longer has any interests in RB Partners Pty Ltd.

At 31 March 2017 the Group recorded a receivable for the sale of a property within the FPG No.1 development. This receivable was sold to the purchaser of FPG No.1 Pty Ltd and subsequently deconsolidated from the Group's accounts. Further details can be found in Note 22. In addition, the Receivables include the equity receivable due from FPG No.1 Pty Ltd being \$780,000 and \$231,000 which represents accrued interest, management and performance fees accrued and owing to Vertua Limited.



**Note 5. Current assets - inventories and work in progress**

	<b>Consolidated</b>	
	<b>30 September 2017</b>	<b>31 March 2017</b>
	<b>\$</b>	<b>\$</b>
Work in progress - print services	367,269	95,403
Work in progress - property stock	-	2,348,518
	<u>367,269</u>	<u>2,443,921</u>

Properties held for redevelopment are inventory and represented by work-in-progress. During the period, the Group sold its interest in the FPG No1 Unit Trust which held work in progress property stock. Further details on the sale of the Trust and deconsolidation from the accounts can be found in Note 22. The Group is not currently undertaking any developments on its own balance sheet.

Work performed but not yet invoiced by the Printing segment are carried as work-in-progress.

**Note 6. Current assets - financial assets**

	<b>Consolidated</b>	
	<b>30 September 2017</b>	<b>31 March 2017</b>
	<b>\$</b>	<b>\$</b>
Financial assets: Interests in residential developments held at fair value	<u>1,789,612</u>	<u>1,669,301</u>

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 7. Non-current assets - investment property**

	<b>Consolidated</b>	
	<b>30 September 2017</b>	<b>31 March 2017</b>
	<b>\$</b>	<b>\$</b>
Investment property	<u>879,932</u>	<u>879,932</u>

The Group holds a percentage of the property at Lvl 5 97 Pacific Highway North Sydney as an Investment Property on the basis that it is leased to a third party on a commercial lease.

**Note 8. Non-current assets - property, plant and equipment**

	<b>Consolidated</b>	
	<b>30 September</b>	<b>31 March</b>
	<b>2017</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Buildings - at valuation	2,151,218	2,148,068
Fixtures and fittings - at cost	305,663	268,564
Less: Accumulated depreciation	(47,779)	(33,834)
	<u>257,884</u>	<u>234,730</u>
Computer equipment - at cost	64,878	61,064
Less: Accumulated depreciation	(53,725)	(40,880)
	<u>11,153</u>	<u>20,184</u>
Office equipment - at cost	59,362	53,735
Less: Accumulated depreciation	(22,567)	(17,598)
	<u>36,795</u>	<u>36,137</u>
	<u><u>2,457,050</u></u>	<u><u>2,439,119</u></u>

*Reconciliations*

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

	<b>Buildings</b>	<b>Fixtures and fittings</b>	<b>Computer equipment</b>	<b>Office equipment</b>	<b>Total</b>
<b>Consolidated</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 April 2017	2,148,068	234,730	20,184	36,137	2,439,119
Additions	3,150	37,099	3,814	5,627	49,690
Disposals	-	-	-	-	-
Depreciation expense	-	(13,945)	(12,845)	(4,969)	(31,759)
Balance at 30 September 2017	<u><u>2,151,218</u></u>	<u><u>257,884</u></u>	<u><u>11,153</u></u>	<u><u>36,795</u></u>	<u><u>2,457,050</u></u>

**Note 9. Non-current assets - intangible assets**

	<b>Consolidated</b>	
	<b>30 September</b>	<b>31 March</b>
	<b>2017</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Goodwill	1,970,263	1,970,263
Contractual rights	1,683,068	1,683,068
Less: Accumulated amortisation	(1,481,947)	(1,361,275)
	<u>201,121</u>	<u>321,793</u>
Customer relationships	1,592,977	1,592,977
Less: Accumulated amortisation	(313,971)	(214,413)
	<u>1,279,006</u>	<u>1,378,564</u>
Software - at cost	213,932	195,810
Less: Accumulated amortisation	(102,367)	(60,652)
	<u>111,565</u>	<u>135,158</u>
	<u><u>3,561,955</u></u>	<u><u>3,805,778</u></u>

*Reconciliations*

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

	<b>Goodwill</b>	<b>Contractual</b>	<b>Customer</b>	<b>Software</b>	<b>Total</b>
	<b>\$</b>	<b>rights</b>	<b>relationships</b>	<b>\$</b>	<b>\$</b>
<b>Consolidated</b>		<b>\$</b>	<b>\$</b>		
Balance at 1 April 2017	1,970,263	321,793	1,378,564	135,158	3,805,778
Additions	-	-	-	18,122	18,122
Disposals	-	-	-	-	-
Amortisation expense	-	(120,672)	(99,558)	(41,715)	(261,945)
Balance at 30 September 2017	<u><u>1,970,263</u></u>	<u><u>201,121</u></u>	<u><u>1,279,006</u></u>	<u><u>111,565</u></u>	<u><u>3,561,955</u></u>

	<b>Printing</b>	<b>Property</b>	<b>Professional</b>	<b>Other</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>services</b>	<b>\$</b>	<b>\$</b>
			<b>\$</b>		
Goodwill	1,004,105	-	966,158	-	1,970,263
Contractual rights	-	201,121	-	-	201,121
Customer relationships	101,570	1,177,436	-	-	1,279,006
Software	-	-	-	111,565	111,565
Balance at 30 September 2017	<u><u>1,105,675</u></u>	<u><u>1,378,557</u></u>	<u><u>966,158</u></u>	<u><u>111,565</u></u>	<u><u>3,561,955</u></u>

**Note 10. Non-current assets - deferred tax**

	<b>Consolidated</b>	
	<b>30 September</b>	<b>31 March</b>
	<b>2017</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<i>Deferred tax asset comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Tax losses recognised	1,290,738	715,838
Employee benefits	77,505	57,474
Accrued expenses	4,360	106,573
Revenue received in advance	2,239	820
Accounts receivable	(20,070)	(28,267)
Deductible capitalised expenses	(110,181)	(28,621)
Accounting revenue on sale of properties in advance of settlement	-	(89,488)
Deferred tax asset	<u>1,244,591</u>	<u>734,329</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 \$443,910, 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 11. Current liabilities - trade and other payables**

	<b>Consolidated</b>	
	<b>30 September</b>	<b>31 March</b>
	<b>2017</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Trade payables	2,170,165	1,482,530
Finance lease liabilities	73,929	73,929
Tax payable	163,274	371,636
Other payables	319,523	1,267,785
	<u>2,726,891</u>	<u>3,195,880</u>

**Note 12. Current liabilities - financial liabilities**

	<b>Consolidated</b>	
	<b>30 September 2017</b>	<b>31 March 2017</b>
	<b>\$</b>	<b>\$</b>
Loan: Manning Capital Pty Ltd	803,406	-
NAB loan - property development	-	2,708,986
	<u>803,406</u>	<u>2,708,986</u>

The property development loan held with NAB was for the development of the FPG No.1 development. This was repaid to NAB in full during the period. The trust holding the development and loan was subsequently sold to a third party with the Trust consequently being deconsolidated from the Group accounts. Further details discussed in Note 22.

The Manning Capital loan was extended to the Group for investment in FPG No.1 Pty Ltd development, which has been deconsolidated from the Group accounts during the period (refer to note 22 for further details). The residual balance of the loan is for investments in other projects. Manning Capital is considered a related party.

**Note 13. Current liabilities - other current liabilities**

	<b>Consolidated</b>	
	<b>30 September 2017</b>	<b>31 March 2017</b>
	<b>\$</b>	<b>\$</b>
Loan: Locumsgroup minority interest	76,047	74,607
	<u>76,047</u>	<u>74,607</u>

**Note 14. Non-current liabilities - financial liabilities**

	<b>Consolidated</b>	
	<b>30 September 2017</b>	<b>31 March 2017</b>
	<b>\$</b>	<b>\$</b>
NAB loan - property investment	<u>1,350,000</u>	<u>1,300,000</u>

**Note 15. Non-current liabilities – other financial liabilities**

	<b>Consolidated</b>	
	<b>30 September</b>	<b>31 March</b>
	<b>2017</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Esplanade Super Pty Ltd	271,907	278,809
Holicarl Pty Ltd	285,886	278,809
Manning Capital Pty Ltd	-	2,453,351
Manning Capital Holdings Pty Ltd	3,080,191	2,442,599
Woodville Super Pty Ltd	285,886	278,809
Convertible note instrument	1,613,701	1,340,701
	<u>5,537,571</u>	<u>7,073,078</u>

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

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 determined on the date of acquisition with an opening balance for the period of \$1,340,701. A deemed interest component of \$273,000 has been recorded during the period.

**Note 16. Non-current liabilities - payables**

	<b>Consolidated</b>	
	<b>30 September</b>	<b>31 March</b>
	<b>2017</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Finance lease liabilities	<u>24,264</u>	<u>63,174</u>

**Note 17. Equity - issued capital**

	<b>Consolidated</b>			
	<b>30 September</b>	<b>31 March</b>	<b>30 September</b>	<b>31 March</b>
	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Class A shares - fully paid	<u>10,475,548</u>	<u>10,475,548</u>	<u>4,746,557</u>	<u>4,746,557</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 18. Equity - reserves**

	<b>Consolidated</b>	
	<b>30 September 2017</b>	<b>31 March 2017</b>
	<b>\$</b>	<b>\$</b>
Revaluation reserve	<u>445,504</u>	<u>445,504</u>

**Note 19. Equity - non-controlling interest**

The non-controlling interest relates to 50% shareholding in the Locumsgroup held by external parties. The 50% shareholding of the FPG No.1 Unit Trust has been deconsolidated from the Group. Refer to note 22 for further details.

	<b>Consolidated</b>	
	<b>30 September 2017</b>	<b>31 March 2017</b>
	<b>\$</b>	<b>\$</b>
Non-controlling interest	<u>1,530,711</u>	<u>2,251,693</u>

	<b>Consolidated</b>	
	<b>30 September 2017</b>	<b>31 March 2017</b>
	<b>\$</b>	<b>\$</b>
Non-controlling interest - Locumsgroup	1,530,711	1,530,656
Non-controlling interest - FPG No.1 Unit Trust	-	721,037
	<u>1,530,711</u>	<u>2,251,693</u>

**Note 20. Dividends**

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

**Note 21. Contingent liabilities**

There are no contingent liabilities in the current accounting period.

**Note 22. Deconsolidation of FPG No. 1 Pty Ltd**

Effective 30 September 2017, the Group finalised the full disposal of its entire unit holding in FPG No.1 Unit Trust and interest in FPG No.1 Pty Ltd (the related trustee), and consequently its interest in 144 Fullers Road Pty Ltd. The units were redeemed at their cost base being \$1 per unit.

Accordingly, the Group has deconsolidated the underlying entity from the group, with the redemption value being recognised as part of trade receivables being an amount of \$780,000.

The expected date of financial settlement of the sale is 5 December 2017.

At the time of disposal, FPG No.1 Unit Trust's asset and liabilities were recognised as:

	<b>Fair value</b> <b>\$</b>
Cash and cash equivalents	11,571
Trade receivables	2,952,390
Other receivables	45,950
Inventories and work in progress	2,348,518
Trade payables	(193,004)
Other payables	<u>(3,520,332)</u>
Net assets attributable to unit holders	<u><u>1,645,093</u></u>
Net value attributable to Vertua Limited unit holding	792,547
Proceeds generated from redemption of unit holding	<u>780,000</u>
Loss on sale	<u><u>12,547</u></u>

The net receivable from the remaining unit holders are represented by an amount of \$780,000 within the Accounts.



**Note 23. Events after the reporting period**

No matter or circumstance has arisen since 30 September 2017 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 24. 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.

	<b>Consolidated</b>	
	<b>6 months to 30 September 2017 \$</b>	<b>6 months to 30 September 2016 \$</b>
Loss after income tax	(279,288)	(577,098)
Non-controlling interest	-	(111,582)
Loss after income tax attributable to the Owners of Vertua Limited	<u>(279,288)</u>	<u>(688,680)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of Class A shares used in calculating basic earnings per share	10,475,548	9,873,275
Adjustments for calculation of diluted earnings per share:		
Potential conversion of convertible notes	40,000,001	40,000,001
Options over ordinary shares	14,050,000	13,750,000
Weighted average number of Class A shares used in calculating diluted earnings per share	<u>64,525,549</u>	<u>63,623,276</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(2.7)	(7.0)
Diluted earnings per share	(2.7)	(7.0)

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.

**Note 25. 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		
		30 September 2017 %	31 March 2017 %	
<b>Corporate</b>				
Vertua Investments Limited	Australia	100.00%	100.00%	
Vertua Nominees Pty Ltd	Australia	100.00%	100.00%	
<b>Print Segment</b>				
Horizon Print Management Pty Ltd	Australia	100.00%	100.00%	
<b>Professional Services Segment</b>				
Locumsgroup Asset Management Pty Ltd	Australia	50.00%	50.00%	
Locumsgroup Sydney Pty Ltd	Australia	50.00%	50.00%	
Locumsgroup Core Unit Trust	Australia	50.00%	50.00%	
Locumsgroup Administrative Services Trust	Australia	50.00%	50.00%	
Locumsgroup Finance Trust No. 2	Australia	50.00%	50.00%	
Braxton Unit Trust	Australia	50.00%	50.00%	
Locumsgroup Private Accounting Services Pty Ltd	Australia	50.00%	50.00%	
<b>Property Segment</b>				
RB Partners Pty Ltd	Australia	0.00%	100.00%	
Joe Public Holdings Pty Ltd	Australia	100.00%	100.00%	
Fiducia Group Pty Ltd	Australia	100.00%	100.00%	
Fiducia Development Group Pty Ltd	Australia	100.00%	100.00%	
Fiducia Property Group Pty Ltd	Australia	100.00%	100.00%	
Fiducia Development Management Trust	Australia	100.00%	100.00%	
FPG No. 1 Pty Ltd	Australia	0.00%	50.00%	
144 Fullers Road Pty Ltd	Australia	0.00%	100.00%	
FPG No. 2 Pty Ltd	Australia	100.00%	100.00%	
FPG No. 3 Pty Ltd	Australia	100.00%	100.00%	
FPG No. 4 Pty Ltd	Australia	100.00%	100.00%	
FPG No. 5 Pty Ltd (Dormant)	Australia	100.00%	100.00%	
Great Superintendent Pty Ltd	Australia	100.00%	100.00%	

**Vertua Limited**  
**Directors' declaration**  
**30 September 2017**

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 2017 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 large, faint, stylized 'X' or 'A' shape.

Christopher Bregenhoj  
Chairman

7 December 2017

## Vertua Limited

### Independent auditor's review report to members

## Report on the Review of the Half-Year Financial Report

### Conclusion

We have reviewed the accompanying half-year financial report of Vertua Limited (the company) on pages 5 to 23, which comprises the condensed statement of financial position as at 30 September 2017, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed 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.

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 on pages 5 to 23 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 2017 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.

### Responsibilities of the Directors' 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities for the Review of the Half-Year Financial Report

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 2017 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.

#### CHARTERED ACCOUNTANTS & ADVISORS

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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. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Vertua Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



William Buck  
Chartered Accountants  
ABN 16 021 300 521



Rainer Ahrens  
**Principal**  
Sydney, 7 December 2017