Vertua Limited ACN 108 076 295

2013 Annual Report

Contents

	Page
Managing Director's Review	**1**
Directors' report	**2**
Corporate Governance Statement	**8**
Auditor's Independence Declaration	**13**
Statement of Comprehensive Income	**14**
Statement of Financial Position	**15**
Statement of Cash Flows	**16**
Statement of Changes in Equity	**17**
Notes to the financial statements	**18**
Directors' declaration	**31**
Independent Audit Report	**32**
Shareholder Information	**34**
Corporate Directory	**35**

Managing Director's Review

Dear Shareholders,

The "Review of Operations" paragraph on page 2 of this report sets out a summary of the Group's activities for the year so I will not repeat the detail in my review here. Suffice to say it was a very disappointing result that we were unable to sell what would have been a very attractive development for Toowoomba. Had the properties been sold with the development approval we obtained, the financial result for shareholders would have been significantly improved.

As a result of having to sell the properties individually the sale proceeds we achieved were less than expected, resulting in write down in inventory value for the year of $800,000 and a loss for the Group for the year of $1,105,257.

After fully repaying the mortgage facility provided by the National Australia Bank following the sale of the seven properties in Toowoomba, the only loan to the Group now is one of $200,000. The cash balance for the Group at 30 June 213 was $525,262.

The Board has taken a number of measures to reduce costs as outlined in the "Review of Operations."

In the paragraph on page 3 entitled "Future Developments, Prospects and Business Strategies" the Board has outlined its current view of the Healy Street property.

In summary, this was a disappointing and frustrating year for the Group and consequently shareholders as well. The Board will endeavour to improve the Group's position in the ensuing year and thank shareholders for their continuing support.

Sincerely,

Ben Doyle
Managing Director

Directors' report

Your directors present their report on Vertua Limited Consolidated Entity ("Group") for the financial year ended 30 June 2013.

Directors

The names of directors in office at any time during or since the end of the year are:

- Peter John Spann
- Benjamin Doyle
- Howard Woolcott

Directors have been in office to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the Group during the year were the development and sale of, either directly or through a subsidiary, parcels of residential real estate in accordance with the real estate mandate of the Group.

Operating Results

The net loss for the Group for the year ended 30 June 2013 after providing for income tax amounted to $1,105,257 (2012 $437,976 loss).

The losses of the Group have related to holding costs and this year a write down in inventory of $800,000. The principal long term investment has been the properties at Toowoomba for which a development approval was obtained. A significant marketing program was undertaken to sell the property with the development approval but no offers were received. As it was not feasible to continue holding the properties they were sold individually, with the exception of 4 Healy Street which has been retained and for which a feasibility for development is being undertaken. The proceeds from the sale of the properties were applied to repay the mortgage loan from National Australia Bank Limited and the property at 4 Healy Street is unencumbered.

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous four financial years:

	2013	2012	2011	2010	2009
EPS (cents)	(13.04)	(5.49)	(8.64)	(12.80)	(15.30)
Net profit/loss ($000)	(1,105)	(437)	(543)	(574)	(463)
Share price ($)	0.005	0.275	0.275	0.275	0.275

On 2nd May 2013 ASIC Unclaimed Monies Unit sold the 100,801 shares they were holding following the companies takeover of Property Fox No 1 Limited. The sale price was $0.1007 below the net tangible asset value of the Company's shares and the only trade during the year.

Dividends Paid or Recommended

A dividend was not declared or paid during the year ended 30 June 2013.

Review of Operations

Almost four years ago the board made a decision to seek a development approval that would optimise the use of the properties it owned at Toowoomba. It commenced a process that would achieve the maximum number of units possible and included construction of commercial space.

After many months spent on this project by directors and hard work from architects, a town planner and various consultants along with council, this was successfully achieved with an approval to construct 86 units and 1,100 square metres of commercial space.

Directors' report continued

The properties were marketed for sale with the development approval as one entire site but no acceptable offers were forthcoming. Following the disappointing result from our rights issue last year it was not possible, without additional capital, to continue holding the properties. Additionally there was no change to the saleability of the project in sight and therefore, and regrettably, it was necessary to sell the properties individually. As a result the sale price we had expected was not achieved and the properties were written down in value by $800,000 to reflect the prices we were able to achieve as single holdings.

At the end of the financial year the Group had sold seven of the eight properties it owned at Toowoomba. The sale proceeds were applied to fully repay the mortgage loan from National Australia Bank Limited and the Group's bank balance stood at $525,262.

In the meantime the Board has taken a number of measures to reduce costs, which include ceasing the payment of director fees, bringing the company secretarial work in house at no cost to the Group and a significant reduction in management and administration fees.

Financial Position

The net assets of the Group as at 30 June 2013 are $895,673 (2012: $2,000,930).

Significant Changes in State of Affairs

The most significant change in the state of affairs of the Group was the sale of seven of the eight properties it owned in Toowoomba. There were no additional significant changes, other than as described elsewhere in this Directors' Report.

After Balance Date Events

The directors are not aware of any other events that would have significant impact on the operations of the Group, other than as disclosed in note 19 on page 30.

Future Developments, Prospects and Business Strategies

The Board is currently reviewing the feasibility of developing the property it holds at 4 Healy Street, Toowoomba and has retained architect Aspect Design Studio Pty Ltd to advise the Group. It appears the property is suitable for development with 22 residential apartments and the Board is undertaking research to provide an estimate of the selling prices of the apartments and the cost to develop.

Should a decision be taken to undertake the development, it is likely the Group will have to proceed in joint venture with a third party to ensure sufficient financial backing and to complete the project without incurring a high level of debt.

Until the Board has more certainty around the likely success of the project, the Group's cash will be invested with the National Australia Bank.

Information on Directors and Company Secretary

Peter John Spann - Executive Director, Chairman, Company Secretary

Peter is the founder of the Freeman Fox group of companies and is a well known public speaker and presenter of investment seminars. Peter has had a wealth of experience in real estate investments over the past ten years, having purchased and sold, either directly or through related entities, many investment properties. Peter has been featured in numerous magazine, television and newspaper articles, including a cover story in the March 2001 edition of 'Australian Property Investor' magazine.

Directors' report continued

Prior to establishing the Freeman Fox group of companies, Peter had a career in marketing, and worked as a marketing consultant for Fullife Pty Limited, Smaartco Pty Limited, and Results Corporation Pty Limited. He holds degrees in Marketing and Psychology (B.Bus, and B.A. Behavioural Sciences), a Diploma of Financial Planning and is an Accredited Options Dealer with the ASX.

Mr. Spann was a director of Excela Limited until he resigned on 20 March 2013. He is not on the board of any other listed entities.

Benjamin Doyle – Managing Director

Ben is a director of the Fiducia Property Group and a licensed real estate agent in NSW. In the past ten years he has managed, developed and sold over $140 million dollars' worth of residential real estate in Australia.

He has significant experience in the acquisition, renovation, project management, design and marketing of property. In 2002 he received the prestigious NSW Real Estate Rookie of The Year Award. Fiducia's recent success has gained the REINSW Finalist Award for Project Marketing 2008, HIA Building Awards Finalists in 2008 and 2010 for Renovations & Additions

Mr Doyle was a director of Excela Limited until he resigned on 20 March 2013. He is not on the board of any other listed entities.

Howard Woolcott - Executive Director and Company Secretary

Howard has an economics degree from The University of Sydney and is a Certified Practising Accountant and Member of the Australian Institute of Company Directors. He is Chairman of the Company's Audit and Risk Committee.

He was a founder and past director of listed public company, Tribeca Learning Limited, an industry leader in accredited financial services education, professional development and compliance solutions for the financial planning industry. Tribeca was subsequently bought by Kaplan Professional.

Howard is the Managing Director of Woolcott Corporate Development Pty Ltd, which provides management and strategic advice to businesses.

He is not currently on the board of any other listed entities but was a director of Excela Limited until 24 January 2012.

Shareholdings held by Directors

Directors	Balance 30/6/12	Net Change Other	Balance 30/6/13
Peter Spann	1,390,000	-1,380,000	10,000
Howard Woolcott**	200,000	-	200,000
Benjamin Doyle	-	-	-
Total	1,590,000	-1,380,000	210,000

* Peter Spann holds 10,000 shares indirectly through Freeman Fox Investments Pty Ltd
**Howard Woolcott holds 200,000 shares indirectly through a family superannuation fund

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each key management person of Vertua Limited.

Directors' report continued

AASB 124 Related Party Disclosures defines key management personnel as *"persons having authority and responsibility for the planning, directing and controlling activities of the entity*". The only persons that have this authority are the Directors of Vertua Limited.

Principles of remuneration

The board policy is to remunerate non-executive directors at market rates for time, commitment, experience and responsibilities. The remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market price, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at an Annual General Meeting in a prior year. It is presently set at $12,000 per annum for each director.

Directors' remuneration

Mr. Spann, the Chairman, does not receive a director's fee. Messrs Woolcott and Doyle received monthly director fees as disclosed below pursuant to letters of appointment issued by the Group. Formal contracts are not issued. The remuneration is a fixed fee and is not based on the performance of the Group. From 1st December 2012 until 30th June 2013 Messrs Woolcott and Doyle did not receive director fees.

All remuneration paid to directors and executives is valued at the cost to the Group and expensed.

Directors' (Key Management Personnel) remuneration

2013 Total Compensation	Directors' Fees $	Superannuation	Options $	Total $
Peter John Spann	-	-	-	-
Howard Woolcott *	11,000	-	-	11,000
Benjamin Doyle*	11,000	-	-	11,000
	22,000	-	-	22,000

2012 Total Compensation	Directors' Fees $	Superannuation	Options $	Total $
Peter John Spann	-	-	-	-
Howard Woolcott *	26,400	-	-	26,400
Peter Conway	8,490			8,490
Benjamin Doyle*	26,400	-	-	26,400
	61,290	-	-	61,290

* Howard Woolcott and Benjamin Doyle received $5,500 in director's fees from Property Fox No 1 Limited.

Note: Director fees in the tables above include GST

Other than related party transactions detailed in note 16 of the financial statements the directors are not entitled and do not receive superannuation contributions, cash bonus, non cash benefits or any other benefits besides those noted above.

Voting and comments made at the company's 2012 Annual General Meeting

Vertua Limited received more than 75% of "yes" votes, excluding abstained votes, on its remuneration report for the 2012 financial year. The company did not receive any specific feedback at the AGM on its remuneration report.

This is the end of the remuneration report (Audited).

Directors' report continued

Meetings of Directors

During the year, 5 meetings of directors were held. Attendances by each director during the year were:

	Eligible to attend	Attended
Peter John Spann	5	5
Benjamin Doyle	5	5
Howard Woolcott	5	5

Meetings of Audit & Risk Committee

The directors have formed an audit and risk committee. The committee met twice during the year.

	Eligible to attend	Attended
Howard Woolcott	2	2
Benjamin Doyle	2	2

Indemnifying Officers and auditors

During the year the Group provided an indemnity to directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Group, other than conduct involving a wilful breach of duty in relation to the Group. The content of the insurance policy prohibits disclosure of the nature of the liability and the amount of the premium. The Group did not provide an indemnity to the auditors.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

Environmental Issues

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory of Australia.

Non-audit Services

The board of directors, in accordance with advice from the audit and risk committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2013:

Taxation compliance services - $2,145.

Directors' report continued

Auditors' Independence Declaration

A copy of the independence declaration provided by the Group auditors in accordance with s307c of the Corporations Act 2001 in relation to the audit of the 30 June 2013 financial report is presented on page 13 and forms part of this Directors' Report.

Signed in accordance with a resolution of the Board of Directors:

Benjamin Doyle – Managing Director
Dated this 2nd day of September 2013

Corporate Governance Statement

The Group's corporate governance framework has been formulated in light of the best practice recommendations released by the Australian Stock Exchange Corporate Governance Council (ASX Corporate Governance Principles and Best Practice Recommendations 2nd Edition). The Group's framework largely complies with these principles. Consistent with the Group's approach to sound corporate governance, opportunities for improvement are regularly considered.

Day-to-day management of the affairs of the Group and its controlled entities are delegated by the Board to the Managing Director and the Directors. The Directors are responsible to shareholders for the performance of the Group and their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed. The main processes that the directors of the Group use in doing so are set out in this statement.

Principle 1: Lay solid foundations for management and oversight

The Directors must act in the best interest of the Group and in general are responsible for, and have the authority to determine, all matters relating to the policies, management and operations of the Group.

Specific responsibilities of the Board include;

- Protecting the reputation of the Group
- Appointment and removal of the Chief Executive Officer and any senior executives
- Ensuring appropriate resources are available to senior management
- Providing strategic direction for the Group's corporate strategy

Day to day management of the Group and implementation of Board policies and strategies has been formally delegated to the Managing Director and Executive Directors. It is responsibility of the Board to oversee the activities of management in carrying out delegated tasks.

The Group's executive management comprises the Chairman (Peter Spann), Benjamin Doyle (Managing Director) and Howard Woolcott who is an Executive Director and Company Secretary.

Howard Woolcott has assumed the role normally performed by a company's Chief Financial Officer.

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The board ensures that executive reward satisfies the following criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- transparency
- capital management

The remuneration structure for directors, secretaries and any senior managers is based on the following factors:

- experience of the individual concerned

Performance of senior executives is reviewed by the Board as part of the ordinary course of meetings of the Directors.

There have been no departures from Principle 1 during the year ending 30 June 2013.

Corporate Governance Statement continued

Principle 2: Structure the board to add value

- The skills, experience and expertise relevant to the position of director and period of office held by each director is disclosed within the Directors' Report of the Group's Annual Report.
- Presently the board consists of 3 executive directors.
- With the prior approval of the Chairman, each director has the right to seek independent legal and other professional advice at the consolidated entity's expense concerning any aspect of the Group's operations or undertaking in order to fulfill their duties and responsibilities as directors.
- The Group does not presently have a nomination committee. Due to the size and nature of the activities of the Group, the nomination of new directors is conducted by the board by way of ongoing review and discussion in relation to experience deficiencies that may exist within the existing board structure.
- The performance of the board is reviewed as part of the ordinary course of meetings of the directors.

There have been the following departures from Principle 2 during the year ending 30 June 2013:

Recommendation 2.1 - As at the date of this report, none of the directors is a non-executive independent director and therefore this does not form a majority of the board. This departure arises from the small size and nature of operations of the Group.

Recommendation 2.2 and 2.3 – The Chairman is not an independent director. The reason for this is that due to the small size and nature of the activities of the Group, it is necessary for him to assume an executive role.

Recommendation 2.4 – Due to the size of the Group, the Board has not yet established a nomination committee.

Principle 3: Promote ethical and responsible decision making

As part of the Board's commitment to the highest standard of conduct, the Group adopts a code of conduct to guide management in carrying out their duties and responsibilities as follows.

All directors and consultants of the Group have the following duties:

- To act honestly, fairly and without prejudice in all commercial dealings and to conduct business with professional courtesy and integrity
- To use the powers of their office for a proper purpose and in the best interest of the Group
- To comply with letter and spirit of the law and with the principles of this Code
- Not to knowingly make any misleading statements to any person or to be a party to any improper practice in relation to dealings with or by the Group
- To ensure that the Group's resources and property are used properly and
- Not to disclose information or documents relating to the Group or its business, other than as required by law, not to make any unauthorised public comment on the Group's affairs and not to misuse any information about the Group or its associates.

The board endeavours to ensure that the directors, officers of the Group act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities.

Specifically, that the directors and officers of the Group must:

- Comply with the law
- Act in the best interests of the Group

Corporate Governance Statement continued

- Be responsible and accountable for their actions, and
- Observe the ethical principles of fairness, honesty and truthfulness, including disclosure of potential conflicts.

The Group's policy regarding directors and officers trading in its securities is set by the board of directors. The policy restricts directors and officers from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

The Group has set the following windows for trading in the Group's securities by the directors and officers, being between one and twenty one days following:

- The release to the National Stock Exchange of the Group's preliminary full year financial statements
- The release to the National Stock Exchange of the Group's half year financial statements
- The date on which the Group holds its annual general meeting

There have been three departures from Principle 3 during the year ending 30 June 2013:

On 5th April 2013 1,380,000 shares held by Fox Portfolio Pty Ltd, a company associated with Peter Spann, were transferred to Hammond and Simonds Pty Ltd. The date of the transfer was outside the trading window referred to in Principle 3 but was not a sale of the securities or a trade in the normal course of on market transactions.

Recommendation 3.2 and 3.3 – The Board has not established a policy on diversity or measurable objectives for achieving gender diversity. The reason for this departure is due to the small size of the Group but the Board will review these recommendations in due course. The Group has no employees and no women as members of the board.

Principle 4: Safeguard integrity in financial reporting

The Board has established an Audit and Risk Committee, which provides assistance to the Board in fulfilling its corporate governance responsibilities in relation to the Group's financial reporting, internal controls structure, risk management systems and external audit functions.

The Board has adopted a formal Charter for the Committee to assist in carrying out its duties. The members of the Audit, Risk Committee are: Mr. Howard Woolcott BEc (Syd.), CPA, MAICD – (Executive Director) and Mr. Benjamin Doyle – (Executive Director).

The Audit and Risk Committee met twice during the year.

There has been one departure from Principle 4 during the year ending 30 June 2013:

Recommendation 4.2 – The Audit and Risk Committee consists of two executive directors and therefore it does not have a majority of independent directors. Also, it has only two members but it is chaired by a director who is not chair of the board.

The reason for this departure is due to the small size of the Group.

Principle 5: Make timely and balanced disclosure

There have been the following departures from Principle 5 during the year ending 30 June 2013:

Recommendations 5.1 – Due to the size and nature of the Group, the Board does not have written policies on disclosure. However the Group has the following principles in place:

- The Group will not endorse reports on its operations prepared by third parties.
- The Group will not respond to speculation and rumour except as required by the NSX.
- The Chairman and Company Secretary have been appointed as the persons responsible for communications with the NSX.

Corporate Governance Statement continued

- The Board is responsible for ensuring the compliance with the continuous disclosure requirements in the NSX listing rules and overseeing and co-ordinating information disclosure to the NSX.
- All material will be lodged as soon as practicable with the NSX.
- No undisclosed price sensitive information will be disclosed in any analyst meeting.

Principle 6: Respect the rights of shareholders

The Board and the Company Secretary are responsible for the communications strategy to promote effective communications with shareholders and encourage effective participation at general meeting. The Group adheres to best practice in its preparation of Notices of Meetings to ensure all shareholders are fully informed. Due to the size of the Group, all communications are prepared and administered in-house.

The Group actively encourages communications with their shareholders and have made available all forms of contact; phone, email, facsimile and post details on their website at www.vertua.com.au should any shareholder have a query.

The Group's Half and Full Year Reports are a significant means of communicating to shareholders the Group's activities, operations and performance over the past financial year. In accordance with the Group's disclosure principles, these are publicly available on the NSX website.

There have been no departures from Principle 6 during the year ending 30 June 2013.

Principle 7: Recognise and manage risk

The Board is responsible for oversight of the Group's management system of internal controls. The Board constantly monitors the operation and financial aspects of Group activities and considers the recommendations and advice of external auditors and other external advisers on the operations and financial aspect of the Group activities.

The Board ensures that recommendations made by the external auditors and other external advisers are investigated and, where considered necessary, appropriate action is taken to ensure that the Group has an appropriate internal control environment in place to manage the key risks identified.

In addition, the Board investigates ways of enhancing existing risk management strategies, including appropriate segregation of duties and the employment and training of suitably qualified and experienced personnel.

The Group obtains statements from its Managing Director and Executive Director that:

- the Group's financial reports present a true and fair view in all material respects, of the Group's financial condition and operational results are in accordance with the relevant accounting standards. Furthermore, the board of directors does, in its role, state to shareholders in the Group's accounts that they are true and fair, in all material respects
- the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which implements policies adopted by the board
- the Group's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

There have been no departures from Principle 7 during the year ending 30 June 2013. The Board believes the Group's risk management and internal compliance and control procedures are operating efficiently and effectively in all material aspects appropriate for a company of Vertua Limited's size and nature. The Board will continue to monitor this aspect of the Group closely, and will cause to be developed a comprehensive Risk Management Process and Policy document, additional to the material outlined above.

Corporate Governance Statement continued

Principle 8: Remunerate fairly and responsible

The Group does not have any scheme for retirement benefits for any directors.

Further information on directors' and executives' remuneration, including principles used to determine remuneration, is set out in the Directors' Report under the heading "Remuneration Report".

There have been the following departures from Principle 8 during the year ending 30 June 2013:

Recommendations 8.1– Due to the size and nature of the Group, the Board has not yet established a remuneration committee. As a result, the functions ordinarily undertaken by a remuneration committee are undertaken by the Board.

Grant Thornton Audit Pty Ltd
ACN 130 913 594

Level 18
King George Central
145 Ann Street
Brisbane QLD 4000
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 30 June 2013, 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M S Bell
Partner - Audit & Assurance

Brisbane, 2 September 2013

Statement of comprehensive income
For the year ended 30 June 2013

	Note	2013 $	2012 $
Revenue	2	2,082,231	150,385
Cost of sales		1,933,032	-
Gross profit		149,199	150,385
Management fees	16(i) (ii)	(101,521)	(151,250)
Directors fees		(22,000)	(61,290)
Finance costs		(86,049)	(91,007)
Professional fees		(75,076)	(59,447)
Property costs		(119,491)	(71,484)
Advertising and Promotion		(3,266)	(72,809)
Other expenses from ordinary activities		(47,053)	(81,074)
Inventory write down	9	(800,000)	-
Profit / (loss) from ordinary activities before income tax expense		(1,105,257)	(437,976)
Income tax (expense) / benefit relating to ordinary activities	5	-	-
Net profit / (loss) from ordinary activities after related income tax benefit		(1,105,257)	(437,976)
Other comprehensive income		-	-
Total comprehensive income		(1,105,257)	(437,976)
Continuing Operations:			
Basic loss per share (cents per share)	13	(13.04)	(5.49)
Diluted loss per share (cents per share)	13	(13.04)	(5.49)

Statement of financial position
As at 30 June 2013

	Note	2013 $	2012 $
Current assets			
Cash and cash equivalents	7	525,262	196,449
Accrued revenue		2,895	-
Total current assets		528,157	196,449
Non current assets			
Inventory	9	573,702	3,300,937
Total non current assets		573,702	3,300,937
Total assets		1,101,859	3,497,386
Current liabilities			
Trade and other payables	10	6,186	106,456
Total current liabilities		6,186	106,456
Non current liabilities			
Long term borrowings	11	200,000	1,390,000
Total non current liabilities		200,000	1,390,000
Total liabilities		206,186	1,496,456
Net assets		895,673	2,000,930
Equity			
Contributed equity	12	4,546,898	4,546,898
Retained profits/(accumulated losses)		(3,651,225)	(2,545,968)
Total equity		895,673	2,000,930

Statement of cash flows

For the year ended 30 June 2013

	Note	2013 $	2012 $
Cash flows from operating activities			
Income from real property related inventory		1,947,533	54,994
Inventory income		128,901	150,385
Payments to suppliers, directors and director related entities		(471,572)	(421,537)
Payments for financing costs		(86,049)	(91,007)
Cash flows related to interests in joint venture		-	-
Income tax (paid)/received		-	-
Net cash provided by / (used in) operating activities	14	**1,518,813**	**(307,165)**
Cash flows from financing activities			
Increase in borrowings		-	200,000
Repayment of borrowings		(1,190,000)	(90,338)
Proceeds from the issue of equity instruments		-	166,000
Expenses related to the issuance of equity instruments		-	(73,691)
Net cash provided by financing activities		**(1,190,000)**	**201,971**
Net increase in cash and cash equivalents held		**328,813**	**(105,194)**
Cash and cash equivalents at the beginning of the financial year		196,449	301,643
Cash and cash equivalents at the end of the financial year	7	**525,262**	**196,449**

Statement of changes in equity

For the year ended 30 June 2013

	Note	A class	Retained Profits /(Accumulated Losses)	Total
		$	$	$
Balance at 01 July 2011		4,454,589	(2,107,992)	2,346,597
Total comprehensive Income		-	(437,976)	(437,976)
Equity issued pursuant to underwritten rights issue		166,000	-	166,000
Capital raising costs		(73,691)	-	(73,691)
Sub total		4,546,898	(2,545,968)	2,000,930
Dividends paid or provided for		-	-	-
Balance at 30 June 2012		4,546,898	(2,545,968)	2,000,930
Total comprehensive Income		-	(1,105,257)	(1,105,257)
Sub total		4,546,898	(3,651,225)	895,673
Dividends paid or provided for		-	-	-
Balance at 30 June 2013	12	4,546,898	(3,651,225)	895,673

Notes to the financial statements
For the year ended 30 June 2013

1 Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Vertua Limited is a for profit NSX listed public company incorporated and domiciled in Australia.

The financial report of Vertua Limited complies with all International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial statements have been authorised for issue by the Directors on 2nd September 2013.

Basis of preparation

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report.

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting policies

a. **Revenue recognition**

The activity of the Group is that of an investment company, returns being in the short term from rental and interest income and capital growth in the medium to long term. Rental income is recognised on an accruals basis in accordance with Australian Accounting Standards. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Realised gains and losses arising from the disposal of assets are recognised in the income statement.

b. **Inventory**

To reflect the change in intention to develop the properties held at Toowoomba, it was determined that as from December 2010 they should be treated as inventories and carried at the lower of cost and net realisable value. The revaluation surplus previously recognised has been transferred to retained earnings.

c. **Cash**

For the purposes of the cash flow statement, cash includes cash on hand and at call with banks or financial institutions, net of bank overdrafts; and investments in money market instruments with less than 30 days to maturity.

d. **Payables**

Payables represent the principal amounts outstanding at balance date, plus where applicable, any accrued interest.

1 Statement of significant accounting policies (continued)

e. **Income tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

f. **Goods and services tax (GST)**

Revenues, expenses and assets include the amount of goods and services tax (GST). Receivables and payables in the balance sheet are shown inclusive of GST.

g. **Receivables**

Trade accounts receivable, amounts due from related parties and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provision for doubtful accounts.

h. **Investments in associates**

Investments in associates are recognised in the financial statements by applying the equity method of accounting.

i. **Interests in joint ventures**

The Group has no joint venture operations.

1 Statement of significant accounting policies (continued)

j. **Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss “FVTPL”, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset 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 expires.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include borrowings, and trade and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

k. **Critical accounting estimates and judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

In determining the reasonableness of the carrying value of the remaining Toowoomba property, which is the principal long term investment of the Group, the directors have relied upon a valuation based on an independent valuation report provided by Peter Snow & Co Registered Valuers dated 25 June 2012 and current market conditions were also assessed based on recent sales transactions.

1 Statement of significant accounting policies (continued)

l. **Capital Management Strategy**

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. Following the sale of seven of the properties owned by the Group at Toowoomba, the proceeds of sale were used to repay the loan from National Australia Bank Limited and the mortgage it held over all the properties owned by the Group was subsequently discharged.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

To conserve the Group's cash the Directors have elected to cease payment for directors' fees and reduced consulting payments by over 50%.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

m. **Adoption of New and Revised Accounting Standards**

AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income

AASB 2011-9 requires entities to group items presented in Other Comprehensive Income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (i.e. reclassification adjustments).

AASB 2011-9 does not:

- remove the option to present profit or loss and other comprehensive income in two statements; or
- change the option to present items of OCI either before tax or net of tax.

However, if the items are presented before tax then the tax related to each of the two groups of OCI items (those that might be reclassified to profit or loss and those that will not be reclassified) must be shown separately.

Furthermore, AASB 2011-9 changes the title of 'statement of comprehensive income' to 'statement of profit or loss and other comprehensive income'. When a two-statement approach is followed, the tide of the first statement is amended to read 'statement of profit or loss'. However, these amendments do not prohibit entities using titles other than those used in AASB 101 Presentation of Financial Statements.

This amendment has had no impact on the Group.

1 Statement of significant accounting policies (continued)

n. **New accounting standards for application in future periods**

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. A discussion of those future requirements which impact on the company follows:

(i) AASB 9 *Financial Instruments, Amendments to Australian Accounting Standards arising from AASB 9* (effective from 1 January 2015). AASB 9 *Financial Instruments* introduces new requirements for the classification and measurement of financial assets and liabilities.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

(a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows.

(b) Allows 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 (instead of in profit or loss). 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.

(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

When adopted, this standard is expected to have no impact on the Group's financial statements.

(ii) AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* (effective from 1 July 2013). On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. Vertua Limited is listed on the NSX and is not eligible to adopt the new Australian Accounting Standards – Reduced Disclosure Requirements. The two standards will therefore have no impact on the financial statements of the entity.

(iii) AASB2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements* (effective from 1 July 2013). The Standard makes amendments to remove the individual key management personnel disclosure requirements, as these are considered to be more in the nature of corporate governance and are generally covered in the Corporations Act and disclosed within the Directors and/or Remuneration Report. As the Key Management Personnel of Vertua Limited are limited to Directors, this amendment is not expected to have any impact on the financial statements, when adopted.

(iv) AASB 10 *Consolidated Financial Statements* (must also apply AASB11 and AASB12) (effective from 1 January 2013). AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and SIC-12 *Consolidation – Special Purpose Entities.* The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. This is likely to lead to more entities being consolidated into the group. It is not expected that the application of this standard will have any effect on the financial statements.

(vii) AASB 13 *Fair Value Measurement* (effective from 1 January 2013). AASB 13 establishes a single source of guidance under AASB for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under AASB when fair value is required or permitted by AASB. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. As Vertua Limited does not currently measure any assets or liabilities at fair value, it is not expected that the application of this standard will have any effect on the financial statements.

2 Profit / (loss) from ordinary activities

	Note	2013 $	2012 $
Operating revenue:			
Rental income		122,374	146,201
Interest received from cash held in bank accounts		3,629	3,640
Miscellaneous income		2,898	544
Property sales		1,953,330	-
Total revenues from ordinary activities		2,082,231	150,385

3 Dividends

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

Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and franking credits that may be prevented from distribution in subsequent financial years.	-	-

4 Segment information

The Group operates an investment company acquiring and developing either directly or indirectly, parcels of residential real estate in accordance with the Group's real estate mandate.

The Group currently operates in one geographical segment being South East Queensland.

5 Income Tax Expense

(a) The components of tax expense comprise:

Current tax	-	-
Under/(over) provision in respect of prior years	-	-
Deferred tax	-	-
	-	-
The prima facie tax on profit/ (loss) from ordinary activities before tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit / (loss) from ordinary activities before income tax at 30%	(331,577)	(131,393)
Add:		
Share of loss / (profit) of associate		-
Legal and consultants fees	4,721	1,842
Impairment of investments	1,889	-
Other non-deductible amounts	3,578	2,871
Less:		
Other deductible amounts	(23,323)	(18,110)
Under/(over) provision in respect of prior years (franking deficits)		--
Future income tax benefit on tax loss not brought to account	344,712	144,791
Income tax expense/(refund) attributable to profit from ordinary activities before income tax	-	-
The applicable weighted average effective tax rates are as follows:	(0%)	(0%)

	Note	2013 $	2012 $

6 Auditor's Remuneration

Remuneration of the auditor for :			
- Audit or reviewing the financial reports		40,693	41,400
- Preparation of taxation return and other services		2,145	13,215
		42,838	54,615

7 Cash & Cash Equivalents

Cash at bank		525,262	20,592
Short term/At call deposits		-	175,857
		525,262	196,449

8 Tax

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1e occur.

Tax losses (operating)		1,141,008	776,024
		1,141,008	776,024

9 Inventory

Inventory at cost		573,702	3,300,937

As noted in the Group's Interim Financial Report, the Group was unable to sell the Toowoomba properties in one line with the development approval it had secured. As a result the Group proceeded to sell the properties individually, which resulted in a write down in inventory value of $800,000 at 31 December 2012. Subsequently seven of the properties the Group held at Toowoomba were sold for a total gross sale price of $1,953,000 and at balance date there was one remaining property situated at 4 Healy Street. This property was valued in June 2012 at $580,000 by an independent registered valuer and current market conditions were also assessed based on recent sales transactions.

10 Trade & Other Payables

Trade creditors	10(a)	6,186	105,908
Accrued expenses		-	548
		6,186	106,456

(a). Trade creditors include:

- $2,750 payable to Woolcott Corporate Development Pty Ltd (related entity) in relation to services provided to the Group
- $2,750 payable to Fiducia Estate Agents Pty Ltd (related entity) in relation to services provided to the Group

	Note	2013 $	2012 $

11 Long Term Borrowings

Secured Liability		
- Commercial bill facility	-	1,190,000
- Secured loan	200,000	200,000
	200,000	1,390,000

The Commercial bill facility provided by the National Australia Bank Limited was repaid during the year from the proceeds of sale of property.

The secured loan of $200,000 from Hammond and Simonds Pty Ltd is secured by a General Security Agreement that grants a fixed charge to the lender over the Group's estate and interest in its property. The loan incurs interest at the rate of 10% per annum payable quarterly and the principal expires on 31st July 2014. There were no breaches of the agreement with Hammond and Simonds Pty Ltd during the year.

12 Contributed Equity

8,473,275 (2012 8,473,275) fully paid A class shares	5,132,750	5,132,750
Capital raising costs	(585,852)	(585,852)
	4,546,898	4,546,898

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

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

13 Earnings/(loss) per Share

Earnings used in the calculation of earnings per share and dilutive earnings per share is the net profit after tax.	(1,105,257)	(437,976)
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	8,473,275	7,975,275

14 Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit/(loss) from ordinary activities after Income Tax

Profit/(loss) from ordinary activities after income tax	(1,105,257)	(437,976)
Gain on sale of property	-	-
Inventory write down	800,000	-
Changes in assets and liabilities:		
(Increase)/decrease in other assets	(2,895)	9,361
(Increase)/decrease in inventory	-	-
(Increase)/decrease in property	1,927,235	54,994
Increase/(decrease) in payables	(100,270)	66,456
Cash flows from operations	1,518,813	(307,165)

15 Financial Instruments

The Group is exposed to a variety of financial risks including market risk (price risk and 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.

Financial Risk Management Policies

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 commodity price risk, counter party credit risk, currency risk, financing risk and interest rate risk. The ARC met twice 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 financial performance. Its functions include the review of credit risk policies and future cash flow requirements.

a. Credit risk

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

	2013 $	2012 $
Classes of financial assets – carrying amounts		
Cash and cash equivalents	525,262	196,449
	525,262	196,449

The Group has no significant concentration 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 ARC in accordance with approved Board policy. Surplus funds are only invested with Australian major financial institutions.

15 Financial Instruments (continued)

b. Market Risk

Market price risk is the risk that the value of the Group's property portfolio will fluctuate as a result of changes in market values. The Group aims to manage its risk in line with the investment mandate and ensures that valuations are undertaken on a regular basis. The Group ensures that none of its property investments are highly geared and in general avoids borrowing more than 65% of any property's market value.

c. 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.

Interest rate risk is managed using a mix of fixed and floating rate debt. At 30 June 2013 the long term secured loan of $200,000 has a fixed rate of 10% pa and the floating rate bill facility had been repaid.

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:

30 June 2013		**Variable Interest rate $**	**Fixed Interest rate $**
Financial assets			
Cash at bank	2.60%	521,042	-
		521,042	-
Financial liabilities			
Secured loan *	10.00%	-	200,000
		200,000	200,000

*This is a secured loan from Hammond and Simonds Pty Ltd which matures on 31st July 2014. Refer Note 11.

30 June 2012		**$**	**$**
Financial assets			
Cash at bank**	2.70%	196,449	-
		196,449	-
Financial liabilities			
Commercial bill facility - Toowoomba	7.32%	1,190,000	-
Secured loan	10.00%	-	200,000
		1,190,000	200,000

** $175,857 was invested in an interest bearing account paying 2.70% per annum

15 Financial Instruments (continued)

d. 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:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- investing only in 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 12 months at all times

The Group has no debt which has been initially borrowed on a short term (less than 12 months) basis.

e. Sensitivity analysis

The following tables illustrate sensitivities to the Group's exposures to changes in interest rates and property prices. The tables indicate the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

In the previous financial year, property assets were reclassified from property, plant and equipment to inventory, to reflect the change in intention to develop the properties held at Toowoomba.

At 30 June 2013, if interest rates had moved, as illustrated in the table below, with all other variables held constant, the Group's post tax profit/loss and equity would have been affected as follows:

	Net Loss for Group Higher / (Lower) 30 June		**Equity for Group Higher / (Lower) 30 June**	
	2013	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**
Cash and cash equivalents				
+ 1% (100 basis points)	5,210	728	5,210	728
- 1% (100 basis points)	(5,210)	(728)	(5,210)	(728)
Borrowings				
+ 1% (100 basis points)	(2,000)	(871)	(2,000)	(871)
- 1% (100 basis points)	2,000	871	2,000	871

16 Related Party Details

	2013 $	2012 $
Transactions between related parties are on normal commercial terms and conditions no more favourable than those otherwise available to other parties unless stated.		
(i) **Management fee**		
Vertua Limited paid an annual management fee to Woolcott Corporate Development Pty Ltd, a company associated with Howard Woolcott. The management fees are calculated and paid monthly. These fees cover the provision of administration, accounting and company secretarial services to the Group. The amount paid includes GST at 10%.	57,063	90,750
(ii) **Consulting fee**		
Vertua Limited paid consulting fees to Fiducia Estate Agents Pty Ltd, a company associated with Benjamin Doyle, for the provision of Mr. Doyle's services as Chief Executive Officer including making available the office premises from which the Group operates. The amount paid includes GST at 10%.	44,458	60,500
(iii) **Legal fees**		
In 2012 Vertua Limited paid legal and consulting fees to Whittens Lawyers and Consultants a related entity of the former Company Secretary Andrew Whitten. Andrew Whitten resigned as Company Secretary on 31st December 2012 and ceased to be a related party. The amount paid includes GST at 10%.	12,133	70,836
(iv) **Marketing fee**		
Vertua Limited paid a marketing fee to Freedom Factory Pty Ltd, a company associated with Peter Spann a director of the Group.	-	35,000

See Note 10(a) for further disclosure on related party transactions.

17 Vertua Limited Parent Information

	2013 $	2012 $
Current Assets	525,262	196,449
Total Assets	1,101,859	3,497,386
Current Liabilities	6,186	106,456
Total Liabilities	206,186	1,496,456
Net Assets	**895,673**	**2,000,930**
Issued Capital	4,546,898	4,546,898
(Loss) for the year	(1,105,257)	(437,976)
Asset Revaluation Reserve	-	-
Accumulated losses	(2,545,968)	(2,107,992)
Total Equity	**895,673**	**2,000,930**

17 Vertua Limited Parent Information (continued)

The Group's assets are represented by cash, $525,262 and a property at Toowoomba, with a carrying value of $573,702. The property at Toowoomba is held as tenants in common with Property Fox No 1 Limited holding 30% and Vertua Limited (formerly Property Fox No 2 Limited) holding 70%. Following the 100% takeover of Property Fox No 1 Limited by Vertua Limited in June 2010 all revenues and expenses relating to the properties at Toowoomba have been accounted for in the financial statements of Vertua Limited.

18 Controlled Entities

Controlled Entities Consolidated

	Country of Incorporation	**Percentage Owned (%)***	
		2013	**2012**
Subsidiaries of Vertua Limited			
Property Fox No 1 Limited	Australia	100.00	100.00

(a) * Percentage of voting power is in proportion to ownership

(b) Deed of Cross Guarantee
A deed of cross guarantee between the Company and Property Fox No 1 Limited was enacted during the financial year and an application for relief has been made from preparing financial statements for Property Fox No 1 Limited under ASIC Class Order 98/1418. Under the deed, Vertua Limited (formerly Property Fox No 2 Limited) guarantees to support the liabilities and obligations of Property Fox No 1 Limited. Property Fox No 1 Limited is the only party to the Deed of Cross Guarantee and is a member of the Closed Group. The Statement of Financial Position and Income Statement presented in the Financial Statements reflect that of the closed group.

19 Subsequent Events

On 2nd September 2013 the financial statements were authorised for issue by a resolution of the board of directors.

There were no other events subsequent to reporting date to bring into account in the 30 June 2013 financial report.

20 Commitments and Contingencies

The Group did not have any commitments or contingent liabilities at year end.

21 Company details

The registered office of the Group is:

Suite 1, 102 Alexander Street
CROWS NEST NSW 2065
Phone: 1300 679 374
Fax: 1300 329 374
Email: info@vertua.com.au

Directors' declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out in pages 14 to 30, are in accordance with the Corporations Act 2001:

    a. comply with Accounting Standards and the Corporations Regulations 2001; and

    b. include an explicit statement in the notes to the financial statements that the financial statements comply with International Financial Reporting Standards (IFRS); and

    c. give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the Group.

2. The Managing Director has declared that:

    a. The financial records of the Group for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

    b. The financial statements and notes for the financial year comply with the Accounting Standards;

    c. The financial statements and notes for the financial year give a true and fair view;

3. In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The company and a wholly-owned subsidiary, Property Fox No 1 Ltd, have entered into a deed of cross guarantee under which the company and its subsidiary guarantee the debts of each other.

At the date of this declaration, there are reasonable grounds to believe that the companies which are party to this deed of cross guarantee will be able to meet any obligations or liabilities to which they are, or may become subject to, by virtue of the deed

This declaration is made in accordance with a resolution of the Board of Directors:

Benjamin Doyle – Managing Director

Howard Woolcott – Executive Director

Dated this 2nd day of September 2013.

Grant Thornton Audit Pty Ltd
ABN 91 130 913 594

Level 18
145 Ann Street
Brisbane Queensland 4000
GPO Box 1008
Brisbane Queensland 4001

T + 61 7 3222 0200
F + 61 7 3222 0444
E info@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 consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 consolidated entity comprising the Company and the entity 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 Standard and the Corporations Act 2001. The Directors' responsibility also includes such internal controls as the Directors determine are 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 Australian Accounting Standard AASB 101 Presentation of Financial Statements, that 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 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 t consolidated entity's financial position as at 30 June 2013 and of its 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 within the directors' report for the year ended 30 June 2013. 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 30 June 2013 complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M S Bell
Partner - Audit & Assurance

Brisbane, 2 September 2013

Shareholder Information at 30 June 2013

Share Capital

Vertua Limited has on issue 8,473,275 fully paid "A" Class shares held by 340 holders as at 30 June 2013. All "A" Class shares of the Company carry one vote per share.

Twenty Largest Shareholders

Rank	Investor Name	Total Shares	% of Issued Capital
1	Hammond & Simonds Pty Ltd	1,751,820	20.67%
2	I.C. Maxwell & P. J. Maxwell	200,000	2.36%
3	Woolcott Corporate Development Pty Ltd	200,000	2.36%
4	Minara Pty Ltd	120,000	1.42%
5	Property Fox No. 1 Limited	103,499	1.22%
6	Frederick Woollard & Therese Cochrane	100,801	1.19%
7	William Lyon	100,000	1.18%
8	Peter Schaap & Pauline Schaap	90,000	1.06%
9	Joanne Maree Baulch	80,000	0.94%
10	Craig Alexander Godham	72,000	0.85%
11	C & AC Pty Ltd	64,800	0.76%
12	Michael Brown	60,000	0.71%
13	C.J. Owen & Associates Pty Ltd	60,000	0.71%
14	Christopher P. Eldridge & Ann E. Eldridge	60,000	0.71%
15	Mirus Vita Pty Ltd	60,000	0.71%
16	David Oliver	60,000	0.71%
17	Alan Graham Hinde	55,000	0.65%
18	Damien Negus	54,000	0.64%
19	D.W. Searle & R. A. Searle	54,000	0.64%
20	Claire Winifred Charman	50,800	0.60%
	Total	**3,396,720**	**40.09%**

Distribution of Equity Securities

Analysis of number of shareholders by size of holding

Range	No. of holders	Shares	% of Issued Capital
1 – 1,000	0	0	0.00%
1,001 – 5,000	4	20,000	0.24%
5,001 – 10,000	99	980,800	11.58%
10,001 – 100,000	231	4,996,355	58.97%
100,001 and over	6	2,476,120	29.22%
Total	**340**	**8,473,275**	**100.00%**

Corporate Directory

Directors	Peter Spann Benjamin Doyle Howard Woolcott
Company Secretary	Howard Woolcott
Registered office in Australia	Suite 1, 102 Alexander Street Crows Nest NSW 2065 Tel: 1300 679 374
Share registry	Link Market Services Rhodes Corporate Park 1A Homebush Bay Drive Rhodes NSW 2138 Tel: (02) 8571 6000
Auditor	Grant Thornton King George Central Level 18 145 Ann Street Brisbane QLD 4000
Solicitors	Whittens Lawyers and Consultants Suite 9, Level 5, 137-139 Bathurst Street Sydney NSW 2000
Bankers	National Australia Bank Limited 180 Queen Street Brisbane QLD 4000
Website address	www.vertua.com.au