



VTX Holdings
Limited

ACN 096 870 978

ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2015

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CORPORATE DIRECTORY

Directors

Andrew Haythorpe (Chairman, Non-Executive Director)
Harry Karelis (Non-Executive Director)
James Robinson (Non-Executive Director)

Company Secretary

Loren Jones

Registered Office

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Subiaco, WA 6008
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Fax: (08) 6489 1601
Email: admin@vortexpipes.com

Postal Address

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Principal Place of Business

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Email: admin@vortexpipes.com

Website

www.vortexpipes.com

ASX Code: VTX

Auditors

Pitcher Partners Corporate & Audit (WA) Pty Ltd
Level 1, 914 Hay Street
Perth, WA 6000

Share Registry

Security Transfer Registrars Pty Ltd
Alexandrea House
Suite 1, 770 Canning Highway
Applecross, WA 6153
Tel: (61 8) 9315 2333
Fax: (61 8) 9315 2233

Banker

National Australia Bank
Level 1 / 1238 Hay Street
West Perth WA 6005

Home Stock Exchange

Australian Securities Exchange Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

CORPORATE GOVERNANCE STATEMENT

The Board recognises that the Company's shareholders, employees, regulatory bodies, customers and the community expect a high standard of accountability, performance and ethical behaviour and the Board acknowledges its responsibilities for and commitment to best practice in corporate governance.

Corporate governance is the system by which companies are directed and managed. It influences how the objectives of the Company are achieved, how risk is monitored and assessed and how performance is optimised.

The Board is committed to corporate governance and, to the extent they are applicable to the Company, have adopted the Eight Essential Corporate Governance Principles and each of the Best Practice Recommendations as published by ASX Corporate Governance Council ("CGC").

Principle 1 – Lay solid foundations for management and oversight

The Board of directors is responsible for the overall Corporate Governance of the Company including the strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Board has established a framework for the management of the Company including an overall framework of internal control, risk management and ethical standards. This framework is expressed in a Board Charter and in a statement of delegation of authority to senior management which is held in the Company's registered office and available to the public upon request. The responsibility for the operations and administration of the Company is delegated to the entirety of the Board.

Principle 2 – Structure the Board to add value

The Council states that the Company should have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.

The full Board is responsible for establishing criteria for Board membership, reviewing Board membership and identifying and nominating directors. Board membership is reviewed regularly to ensure the Board has an appropriate mix of qualifications, skills and experience. Candidates appointed by the Board must stand for election at the first General Meeting of shareholders following their appointment. The Board of the Company currently comprises of three Non-Executive Directors.

Details of directors (Mr James Robinson, Mr Andrew Haythorpe and Mr Harry Karelis) are set out in the Directors' Report.

The Company complies with ASX Corporate Governance Principle 2.1 which recommends that a company's Board comprise a majority of independent directors.

The Board shares the responsibility for guiding management in effectively carrying out tasks and achieving job task objectives. The full Board meets on an as-to-when required basis with a comprehensive set of Board papers issued before the meeting for consideration and discussion. The Board as a whole makes decisions on important Company issues.

The Company is currently not of a relevant size that justifies the formation of a separate nomination committee. Matters typically dealt with by such a committee are dealt with by the Board of directors. To assist the Directors with independent judgement, it is the Board's policy that if a Director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their duties, they may do so at the Company's expense.

In August 2014, Messrs Gosatti, Corr, Matich and McGrath resigned from the board and Mr Andrew Haythorpe and Mr Harry Karelis were appointed as Non-Executive Directors. Subsequently, the Board has not yet developed a formal process for performance evaluation at this time. However, to ensure that the responsibilities of the Board are discharged in an appropriate manner, the performance of each board member will be reviewed annually by the other members of the Board. Directors whose performance is consistently unsatisfactory may be asked to retire.

CORPORATE GOVERNANCE STATEMENT

Principle 3 – Promote ethical and responsible decision-making

The Board has adopted a Company Code of Conduct to promote ethical and responsible decision-making by all employees (including directors). The Code embraces the values of honesty, integrity, accountability, equality and striving to enhance the reputation and performance of the Company. In summary the over-riding principles are:

- all employees must conduct their duties honestly and in the best interests of the Company as a whole.
- treat other stakeholders fairly and without discrimination.
- respect confidentiality and do not misuse Company information or assets.
- conduct themselves in accordance with both the letter and spirit of the law.
- maintain a safe working environment.

A copy of the Company's Code of Conduct is available at the Company's principal place of business. The Company has also formulated a Company policy for directors, executives and employees concerning dealings in Company securities. This policy is as follows:

Company policy and the Corporations Act 2001, prohibits directors and employees from buying and selling or otherwise dealing in securities of the Company whilst in possession of price sensitive information that, in accordance with the Corporations Act 2001, has not been made public or is otherwise not generally available.

In accordance with good practice and to assist in the avoidance of any inadvertent breach of the Corporations Act 2001, the policy of the Company in relation to dealings by directors and employees in securities of the Company is as follows:

Key Management Personnel must not, except in exceptional circumstances deal in securities of the Company during the following periods:

- (a) within the period of 1 month prior to the release of annual reports or half yearly results; and*
- (b) there is in existence price sensitive information that has not been disclosed because of an ASX Listing Rule exception.*

Key Management Personnel should wait at least 2 days after the relevant releases before dealing in securities so that the market has time to absorb the information.

*The Company may at its discretion vary this rule in relation to a particular Closed Period by general announcement to all Key Management Personnel either before or during the Closed Periods. However, if a Key Management Personnel is in possession of price sensitive information which is not generally available to the market, then he or she must not deal in the Company's securities at **any** time.*

Each director and employee is required to satisfy themselves that any dealing in securities of the Company which they undertake is not in breach of the Corporations Act 2001.

This policy has been incorporated into a set of Guidelines for Trading in Company Shares, which is available at the Company's principal place of business.

The Company adopted a diversity policy on the 8 May 2013 as part of their Corporate Governance Plan. The Company recognises the benefits arising from Board diversity, and is committed to providing a diverse workplace that embraces and promotes diversity. The Company is currently not of a size that justifies the formal establishment of measurable diversity objectives.

Principle 4 – Safeguard integrity in financial reporting

The Company is not of a size at the moment that justifies having a separate audit committee. However, matters typically dealt with by an audit committee are currently dealt with by the Board of directors which comprises one Non-Executive Chair and two independent Non-Executive directors. The major and a substantial shareholder of the Company is also the Non-Executive Chair; as such the two independent Non-Executive directors are responsible for making decisions where a potential conflict of interest could arise. Though the Company intends to seek out and appoint additional independent directors to the Board when size and scale of the Company justify and warrant their inclusion, for the time being the Company maintains a mix of directors from different backgrounds with complementary skills and experience. No charter has been developed, as there is no audit committee due to the role currently being fulfilled by the Board.

The Company's auditor is Pitcher Partners Corporate & Audit (WA) Pty Ltd ("Pitcher Partners"), appointed in 2011. Consistent with ASX CGC 6 Pitcher Partners attends, and is available to answer questions at, the Company's Annual General Meeting. The signing off of the annual accounts is a matter considered by the whole Board.

CORPORATE GOVERNANCE STATEMENT

Principle 5 – Make timely and balanced disclosure

The Council states that the Company should make timely and balanced disclosure of all material matters concerning the Company.

In the Company's current stage of development, matters of critical importance arise regularly. The Board and Company Secretary will discuss significant issues jointly and will make a decision on the timely release of factual and balanced information concerning the Company's activities. To maintain consistency, the Board has approved a Continuous Disclosure Policy, which is available at the Company's registered office, and which covers announcements to the ASX, prevention of selective or inadvertent disclosure, conduct of investor and analysts' briefings, and media communications.

Principle 6 – Respect the rights of shareholders

Pursuant to Principle 6, the Company's objective is to ensure effective communication with its shareholders at all time. The Company recognises the important role of communicating with shareholders, and has for several years regularly informed shareholders about current and proposed activities.

Given the size of the Company, all communication with shareholders is currently reverted to the Board and its Company Secretary. The Company's website has a dedicated media section which publishes all important Company Information and relevant announcements made to the market.

The Company will ensure that the Annual General Meeting is held in a manner that enables as many shareholders as possible to attend and encourages effective participation by shareholders. The Company requires the attendance of the external auditor at the Company's Annual General Meeting and to be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Principle 7 – Recognise and manage risk

The Company has adequate policies in relation to risk management, compliance and internal control systems. The Company's policies are designed to ensure strategic, operational, legal, reputational and financial risks are identified, assessed effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

The Board and the Company Secretary are responsible to the Board for the Company's system of internal control and risk management.

Consistent with the requirements of ASX CGC 4 & 7, the Chairman is required to state to the Board in writing that the financial statements of the Group present a true and fair view, in all material respects, of the Group's financial position and operational results and are in accordance with the relevant accounting standards and the appropriate disclosure of all information required by statute. Additionally, the Board are required to state in writing that this statement is founded on a sound system of risk management and control which implements the policies adopted by the entirety of the Board and that the Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

A risk management policy has been approved by the Board. Full details of the Company's risk management policy can be obtained from the principal place of business.

In fulfilling their duties, the directors may obtain independent professional advice at the Company's expense.

Principle 8 – Remunerate fairly and responsibly

The Council states that the Company should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined.

The Board has not established a remuneration committee at this point in the Company's development. It is considered that the size of the Board along with the level of activity of the Company renders this impractical as the full Board considers in detail all of the matters for which the directors are responsible.

The Board is currently made up of four Non-Executive directors. The remuneration structure specific to Non-Executive directors is contained in the remuneration in this annual report as required by the Corporations Act 2001. The fees payable to Non-Executive directors is currently capped at A\$200,000 per annum in total.

CHAIRMAN'S LETTER

Dear Shareholder,

I am pleased to present to you VTX Holdings Limited's ("VTX" or the "Company") 2015 Annual Report.

2015 was a year of changes and significant achievement for VTX with the proposed Acquisition of pioneering software optimisation network provider, NexGen Networks Limited ("NexGen"). The proposed Acquisition of NexGen strategically diversifies and expands the operations of VTX into the significant and fast growing global mobile technology sector, worth over \$100 billion annually.

NexGen's technology uses smart algorithms and has demonstrated increased levels of data speed of over 100% (up to 1000% in 'low speed' environments) and data savings of over 30% (up to 93% in 'low speed' environments) of data transfers.

On 2 July 2015 the Company appointed Mr. Cam Worth of Simplisite Business Solutions ("Simplisite"), as a Technical and Commercial Advisor to the Board to advise on the technology potential and commercialisation strategy of NexGen.

Due Diligence was successfully completed on 15 July 2015 by way of a formal review of the technology and an extensive testing regime under controlled conditions, performed by Mr Worth. The review and testing provided validation of NexGen's technology and unique ability to optimise network performance, delivering significant efficiencies and improvements in transfer speeds and reducing data usage when transferring data between devices.

The technology has been shown to work effectively on video data and over encrypted connections, opening up significant opportunities based on the current global demand for digital video content and secure / private data exchange over the Internet.

Next steps for NexGen will focus on the development of the mobile application front-end for the platform to be delivered to the Android marketplace initially, with development of the beta application already underway. Android OS currently claims 81.2% of the global market, with Apple iOS taking 14.8% in 2014 (Source: International Data Corporation).

Furthermore, the Board of NexGen approved a strategic development plan in partnership with Simplisite, following the successful completion of due diligence on behalf of VTX. The deal provides NexGen with the resources and expertise necessary to expedite development of the technology and accelerate its time-to-market with considerable optimisation expected.

As full time lead manager, Mr Cam Worth will oversee the project and has been appointed to assemble a team which will carry out the development and further optimise and enhance the performance of the NGN technology.

With this appointment, NGN in collaboration with Mr Worth, will establish a dedicated specialist team to focus on large-scale deployment of the NGN technology, drive further optimisation and identify new opportunities and applications.

For a more detailed report of the Company's activities during and subsequent to year-end please refer to recent announcements and the Director's Report.



Andrew Haythorpe
Chairman

DIRECTORS' REPORT

The directors of VTX Holdings Limited (ASX: VTX, "the Company" or "VTX") submit herewith the annual report of the Company and its controlled entity (the "Group") for the financial year ended 30 June 2015. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Information about the Directors

The names, appointment periods and particulars of the Company directors who held office during the financial year and/or since the end of the financial year are:

James Robinson (Non-Executive Director)

Mr Robinson gained extensive capital markets and advisory experience during 10 years with one of Western Australia's leading corporate advisory and stockbroking firms. Since 2008, Mr Robinson has served in either board or managerial positions of companies operating in North America, South America, Africa, Eastern Europe, Asia and Australia.

As a founding shareholder and director of Condor Energy Services Limited, Mr Robinson was instrumental in the successful launch of Australia's first home-grown fracture stimulation company, which has secured in excess of \$40M in funding since its launch and executed its first master services contract with Beach Energy Limited (ASX: BPT) for the provision of fracing and coiled tubing services. He currently serves as a Director of Jacka Resources Limited (ASX: JKA) and Sugar Dragon Limited. Along with his various personal interests, he is also a Director of Cicero Corporate Services Pty Ltd and Cicero Advisory Services Pty Ltd ("CAS"). Mr Robinson is a member of the Australian Institute of Company Directors and holds a Bachelor of Economics from the University of Western Australia.

Andrew Haythorpe (Non-Executive Director; appointed 14 August 2014)

During the past 15 years Mr Haythorpe has been involved in a number of junior company turnarounds with ASX and TSX listed companies. In the past he has held numerous Board positions, including Managing Director of Liberty Resources Ltd., Michelago and Crescent Gold, Non-executive Chairman of Liberty, Aurox Resources, Golden Heritage Mines, (which merged into Address Express Holdings), Central Kalgoorlie Gold Mines and Top End Uranium, as well as a non-executive Director of 131 Shop, Club Crocodile PL, a resort property company and Salmon Resources (Canada). During this time Mr Haythorpe was involved in over \$200m worth of equity and debt raisings, often during difficult market times.

Prior to this, he was a Fund Manager (Global Energy and Resources) and Analyst at Bankers Trust Australia, which grew and merged from \$2billion under management to over \$40billion in its Global Funds management business during the 1990's.

Harry Karelis (Non-Executive Director; appointed 14 August 2014)

Mr Karelis is the founder of Titan Capital Partners - a privately held investment group involved in a range of projects. He graduated from The University of Western Australia with Bachelors and Honours in Science majoring in Biochemistry and Microbiology as well as a Masters in Business Administration. He is a Fellow of the Financial Services Institute of Australia, a Fellow of the Australian Institute of Company Directors and has qualified as a Chartered Financial Analyst (CFA) from the CFA Institute in the United States.

Prior to establishing Titan, Mr Karelis worked in the financial services industry with roles in financial analysis and funds management both in Australia and overseas including extended periods at Hartley Poynton (now Hartleys) and Challenger Group. He has in excess of 20 years diversified experience in the financial services sector including fundamental analysis, funds management and private equity investing and has acted as a Director on several public and private companies in Australia, Singapore and the United Kingdom.

DIRECTORS' REPORT

Information about the Directors (cont'd)

Loren Jones (Company Secretary)

Miss Loren Jones has worked in finance and back office administration roles with ASX listed companies, stockbroking and corporate advisory services for the past 9 years. During this time she has gained invaluable experience in dealing with all aspects of corporate governance and administration, specialising in Initial Public Offering (IPO) Project Management and Backdoor Listings. Her strengths in corporate governance and compliance, transaction negotiation and management, merger and acquisition, Initial Public Offering (IPO) and private capital raising and business development have served several boards well.

Miss Jones is a Partner at and Company Secretary of corporate administration firm Cicero Corporate Services Pty Ltd, a Non-Executive Director and Company Secretary of Brookside Energy Limited (ASX: BRK) and a Non-Executive Director of Red Fox Capital Limited. She also currently serves as the Company Secretary of Aphex Minerals Pty Ltd. Past Non-Executive Director and/or Company Secretarial positions include ZipTel Limited (ASX: ZIP), MMJ PhytoTech Limited (ASX: MMJ) and Jernigan Commodities Limited.

Miss Jones is a BIA Accredited Bookkeeper and a member of the Institute of Certified Bookkeepers, holds a Certificate IV Financial Services (Bookkeeping), has a Bachelor of Psychology from Curtin University and is currently completing her Graduate Diploma of Applied Corporate Governance with the Governance Institute of Australia.

Trevor Gosatti (Managing Director; resigned 14 August 2014)

Mr Gosatti was a founding director of VTX Holdings Limited. He has over 25 years' experience in all aspects of civil contracting operations, including administration and management. He is also Managing Director of Premium Pipe Services Pty Ltd, a wholly owned subsidiary of VTX Holdings Limited.

Patrick Corr LLB (Chairman; resigned 14 August 2014)

Patrick Corr is a Barrister and Solicitor of the Supreme Court of Western Australia and specialises in laws regulating companies and securities in Australia. He also has considerable experience in the management and direction of private, public and ASX listed companies. Mr Corr currently serves as a Non-Executive director of ASX-listed Hammer Metals Limited.

Brett Matich (Non-Executive Director; resigned 14 August 2014)

Mr Matich was the inaugural Managing Director of AIM and ASX-listed Aztec Resources Ltd ("Aztec") where he was responsible for identifying the Koolan DSO hematite deposit and guiding the project towards development, prior to the Mt Gibson Iron Ltd takeover bid in 2006.

Sean McGrath (Non-Executive Director; resigned 14 August 2014)

Mr McGrath has over 17 years' experience in financial reporting, accounting and corporate advisory for companies operating in the North American oil and minerals industry. Mr McGrath was based in VTX Holding's Canadian office.

Directorships of other listed companies

Directorships of other listed companies held by directors at any time during or since the end of the year in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
James Robinson	Bisan Limited	Feb - May 2012 and Aug - Oct 2013
	Jacka Resources Limited	May 2014 - to date
Andrew Haythorpe ⁽¹⁾	Liberty Resources Limited	August 2008 - July 2015
Harry Karelis ⁽¹⁾	Biotech Capital Limited	May 2000 - August 2014
	International Coal Limited	October 2014 - to date

⁽¹⁾ Appointed 14 August 2014

DIRECTORS' REPORT

Information about the Directors (cont'd)

Directors' shareholdings

The following table sets out the director's relevant interest in shares and options in shares of the Company as at the date of this report:

	Balance at 1 July No.	Acquired No.	Net other change No.*	Change resulting from resignation No.	As at the date of this report No.
2015					
Andrew Haythorpe ⁽¹⁾	200,000,000	11,500,000	(190,000,00)	-	21,500,000
James Robinson	90,000,000	8,000,000	(85,500,000)	-	12,500,000
Harry Karelis ⁽¹⁾	-	10,000,000	-	-	10,000,000
Patrick Corr ⁽²⁾	-	-	-	-	-
Trevor Gosatti ⁽²⁾	45,630,940	-	(43,349,393)	(2,281,547)	-
Brett Matich ⁽²⁾	129,772,957	-	(123,284,309)	(6,488,648)	-
Sean McGrath ⁽²⁾	-	-	-	-	-
2014					
Patrick Corr ⁽²⁾	-	-	-	-	-
Trevor Gosatti ⁽²⁾	45,630,940	-	-	-	45,630,940
James Robinson	84,015,707	5,984,293	-	-	90,000,000
Brett Matich ⁽²⁾	5,000,000	124,772,957	-	-	129,772,957
Sean McGrath ⁽²⁾	-	-	-	-	-

* Consolidation of capital

⁽¹⁾ Appointed 14 August 2014

⁽²⁾ Resigned 14 August 2014.

Directors' optionholdings

	Balance at 1 July No.	Acquired No.	Net other change No.	Held on resignation No.	As at the date of this report No.
2015					
Andrew Haythorpe ⁽¹⁾	-	10,300,000	-	-	10,300,000
James Robinson	-	7,975,000	-	-	7,975,000
Harry Karelis ⁽¹⁾	-	10,000,000	-	-	10,000,000
Patrick Corr ⁽²⁾	-	-	-	-	-
Trevor Gosatti ⁽²⁾	-	-	-	-	-
Brett Matich ⁽²⁾	-	-	-	-	-
Sean McGrath ⁽²⁾	-	-	-	-	-
2014					
Patrick Corr ⁽²⁾	-	-	-	-	-
Trevor Gosatti ⁽²⁾	-	-	-	-	-
James Robinson	-	-	-	-	-
Brett Matich ⁽²⁾	-	-	-	-	-
Sean McGrath ⁽²⁾	-	-	-	-	-

⁽¹⁾ Appointed 14 August 2014

⁽²⁾ Resigned 14 August 2014.

Remuneration of key management personnel

Information about the remuneration of key management personnel is set out in the remuneration report of this Directors' Report. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Share options granted to Directors and senior management

During and since the end of the financial year, no options were granted to directors and senior management (2014: NIL).

Principal Activities

The Group's principal activities in the course of the financial year were the development and commercialisation of the ShieldLiner System.

Review of Operations

The Group incurred a net loss after tax for the year ended 30 June 2015 of \$390,702 (2014: loss \$840,940), a net cash outflow from operations of \$697,102 (2014: outflow of \$588,967) and a net asset position of \$984,699 (2014: \$231,998 net liability).

NexGen Networks Limited

On 16 June 2015 the Company announced that it had signed a binding terms sheet ("Terms Sheet") to acquire 100% of the equity interests in NexGen Networks Limited ("NexGen") ("Transaction"). The acquisition of NexGen strategically diversifies and expands the operations of VTX Holdings into the significant and fast growing global mobile technology sector, worth over \$100 billion annually.

NexGen is a New Zealand based software technology company founded in 2013, by experienced technology entrepreneurs and retail executives Jason Gitmans and Robert Pole.

NexGen has developed cutting edge software technology, which uses intelligent customised algorithms to optimise data flow between devices and facilitates faster speeds on existing hardware. The ability to deliver such optimal results is due to NexGen's customised virtual based technology, which re-directs data through to its own proprietary server, delivering faster and more efficient data usage to each user through existing infrastructure.

The opportunity for NexGen's pioneering technology is significant, and the business is well positioned at the forefront of a rapidly growing and consumer driven technology sector.

In consideration of the Transaction, the Company paid a non-refundable cash deposit of \$100,000 upon execution of the Terms Sheet to NexGen as initial consideration, and shall issue 240,000,000 fully paid ordinary shares and 160,000,000 performance shares to the vendors (or their nominees) upon settlement of the Transaction. The performance shares will be issued in four equal classes of 40,000,000 shares and are subject to the attainment of certain milestones (set out in the schedule to this announcement and which remain subject to ASX approval).

In addition, the Company agreed to loan up to \$500,000 in 5 equal monthly instalments (subsequently amended to \$500,000 as required prior to settlement), with each advance able to be converted into a 4% equity interest in NexGen (calculated immediately following each conversion) resulting in an aggregate of 20% interest in NexGen if all advances are converted. The convertible loan is given on an unsecured and interest free basis, and shall automatically convert into fully paid ordinary shares in the capital of NexGen upon Settlement (and may be converted prior to completion of the Acquisition of NexGen at the election of VTX subject to the ASX Listing Rules and other applicable laws). In the event completion of the Transaction does not occur the loan shall not be repayable unless there is a material breach of the Terms Sheet by either the vendors or NexGen.

The Company also agreed to issue 29,769,734 unlisted options on the same terms as existing unlisted options (exercisable at \$0.025 on or before 31/08/2018) at an issue price of \$0.0001 per unlisted option to various parties as part of the Transaction.

The Transaction is conditional on a number of conditions precedents, including but not limited to the shareholder and ASX approvals.

Review of Operations (cont'd)

The ShieldLiner System

In August 2014 the Company announced that a Letter of Intent ("LOI") with Noor Energy Corporation ("Noor") for Noor to be granted an exclusive option to acquire all of the assets and intellectual property of the ShieldLiner System (the "Acquisition") had been executed. The Acquisition was to be made by way of a plan of arrangement between the companies and result in the Canadian registered Holding Company ("Holding Company") of the ShieldLiner System becoming listed on the Canadian Securities Exchange ("CSE"). Due to challenging market conditions in the sector, Noor was not able to complete the Acquisition prior to the end date of the LOI of 30 June 2015 resulting in its automatic termination.

Placement

On 18 August 2014 the Company advised that it had received commitments from various sophisticated investors to subscribe for 785 Million shares at an average subscription price of \$0.0005 to raise up to \$392,500 before costs of the issue. The shares were issued with a free attaching unlisted option (exercisable at \$0.00125, expiring 31 August 2018).

Share Consolidation

On 28 October 2014 a consolidation of the Company's capital was undertaken. The consolidation, which was achieved through the conversion of twenty fully paid ordinary shares into one fully paid ordinary share, was approved by an ordinary resolution of shareholders passed at the Company's Annual General Meeting ("AGM") held on 21 October 2014. The consolidation resulted in the various issues of shares referred to within this report having a post consolidation issue price of \$0.01 and the options a post consolidation exercise price of \$0.025.

The below table summarises the Company capital structure pre and post the share consolidation:

Class	Pre-Consolidation	Post-Consolidation
Fully Paid Ordinary Shares	3,926,972,236	226,348,671
Options to be quoted on Tuesday 4 November 2014	3,125,000,000	156,250,000*
Unquoted options	-	69,250,000**

* Exercisable at \$0.025 on or before 25 October 2015

** Exercisable at \$0.025 on or before 31 August 2018

Share Purchase Plan (SPP)

Shareholder approval was also sought and obtained at the Company's AGM on 21 October 2014 to undertake a Share Purchase Plan ("SPP") for existing shareholders to subscribe for up to \$15,000 worth of shares at an issue price of \$0.01 (on a post consolidation basis) along with a one for five free attaching option (exercisable at \$0.025, expiring 25 October 2015).

As announced on 7 November 2014, the SPP raised a total of \$135,000 through the issue of 13,500,000 shares (with 2,700,000 attaching options) resulting in a shortfall of 86,500,000 (and 17,300,000 attaching options). Furthermore, the Company announced on 17 November 2014 that Cicero Advisory Services Pty Ltd ("CAS"), a corporate advisory firm and AFS License holder associated with VTX Director James Robinson, was appointed as Manager to the SPP Shortfall Offer.

The SPP Shortfall Offer was closed on 5 December 2014 with a total of \$851,513 being raised. Combined with the original take up under the SPP, the Company raised \$986,513 before costs of the offer.

DIRECTORS' REPORT

Review of Operations (cont'd)

Variation of terms of 'Class A' Options

With shareholders' approval obtained at the Company's AGM on 21 October 2014, the terms of the Class A Options varied and official quotation was granted by ASX for the Options (ASX:VTXO, exercisable at \$0.025 on or before 25 October 2015) as from the commencement of trading on Monday, 17 November 2014.

Board Changes

There were a number of changes to the Board during the year. After serving as a Director of the Board since September 2008, Mr Trevor Gosatti resigned from the Board of VTX. We thank Trevor for his contribution to VTX Holdings and the broader pipe rehabilitation industry during his time as Managing Director.

We also farewelled Mr Patrick Corr, Mr Brett Matich and Mr Sean McGrath, and we thank them for their significant contribution. We welcomed new Directors to the Board: Mr Harry Karelis and Mr Andrew Haythorpe. The Board believes that the skill-set and experience that Messrs Karelis and Haythorpe bring to the Board will be invaluable as the company progresses with its intention of reviewing and securing new opportunities.

Issue of Securities to Board Members

The Company sought and obtained shareholder approval for Mr Haythorpe and Mr Karelis to subscribe for \$100,000 worth of shares at \$0.01 - 10,000,000 shares on a post consolidation basis (with a free attaching unlisted option exercisable at \$0.025, expiring 31 August 2018).

Approvals were also obtained for the issue of 5,000,000 shares on a post consolidation basis (with a free attaching unlisted option exercisable at \$0.025, expiring 31 August 2018) to each of Mr Matich and Mr Robinson in satisfaction of outstanding fees owed to them for the previous financial year.

Change of Company Name

Shareholders approved the change of Company name to VTX Holdings Limited at the Company's AGM held on 21 October 2014. ASIC recorded this change on 21 October 2014. For ASX purposes, the effective date for the company name change was Wednesday, 5 November 2014. The Company's ASX code 'VTX' remained unchanged.

German Legal Case

During the period the Company settled a claim by a German based historical supplier for \$35,000. The claim dated back to dealing with Premium Pipe Services Pty Ltd, a 100% wholly owned subsidiary of VTX Holdings Limited, in 2009.

Changes in state of affairs

There were no significant changes in the state of affairs of the Group other than as referred to elsewhere in this Annual Report and in the accounts and notes attached thereto.

Subsequent Events and Future developments

Exercise of Company Options

As at the date of this report the Company has issued a total of 63,525,534 shares arising on the conversion of options to raise a total of \$1,588,138 as outlined in the following table:

	VTX Ordinary Shares	VTXO Quoted Options ⁽¹⁾	VTXAL Unquoted Options ⁽²⁾
Balance as at 30 June 2015	325,000,000	175,980,266	99,019,734
Issued/(Exercised)	63,525,534	(31,540,667)	(31,984,867)
Balance as at the date of this report	388,525,534	144,439,599	67,034,867

⁽¹⁾ Exercisable at \$0.025 on or before 25 October 2015

⁽²⁾ Exercisable at \$0.025 on or before 31 August 2018

NexGen Networks Limited Updates

- *2 July 2015: Appointment of Technical and Commercial Advisor*

The Company announced that Mr Cam Worth had been appointed as Technical and Commercial Advisor to the Board of VTX. Mr Worth is assisting the Company in its Due Diligence of the proposed acquisition of NexGen Networks Limited ("NexGen") and will oversee the process through to commercialisation.

- *15 July 2015: NexGen Due Diligence Completed*

The Company advised that by way of a formal review of the technology and an extensive testing regime under controlled conditions, performed by Mr Worth, VTX successfully completed its due diligence.

This review and testing provided validation of NexGen's technology and unique ability to optimise network performance, delivering significant efficiencies and improvements in transfer speeds and reducing data usage when transferring data between devices.

The technology has been shown to work effectively on video data and over encrypted connections, opening up significant opportunities based on the current global demand for digital video content and secure / private data exchange over the Internet.

Next steps for NexGen will focus on the development of the mobile application front-end for the platform to be delivered to the Android marketplace initially, with development of the beta application already underway

- *22 July 2015: NexGen engages Simplisite*

The Board of NexGen approved a strategic development plan in partnership with Simplisite, following the successful completion of due diligence on behalf of VTX. The deal provides NexGen with the resources and expertise necessary to expedite development of the solution and accelerate its time-to-market with considerable optimisation expected.

As full time lead manager, Mr Cam Worth will oversee the project and has been appointed to assemble a team which will carry out the development and further optimise and enhance the performance of the NexGen product.

DIRECTORS' REPORT

Environmental regulations

The Group's activities to date have not been subject to any particular and significant environmental regulation under Laws of either the Commonwealth of Australia or a State or Territory of Australia.

Dividends

No dividends were paid or declared and the directors have not recommended the payment of a dividend for the year ended 30 June 2015 (2014: NIL).

Shares under option or issued on exercise of options

Details of unissued shares or interests under options as at the date of this report are:

Issuing entity	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
VTX Holdings Limited	144,439,599	Ordinary	\$0.025	25 October 2015
VTX Holdings Limited	67,034,867	Ordinary	\$0.025	31 August 2018

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Company or any other body corporate.

Indemnification of officers and auditors

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company (as named above), the Company Secretary, Ms Loren Jones, and all officers of the Company and of any related body corporate against a liability incurred as such a Director, Secretary or officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Directors' meetings

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director (while they were a director). During the financial year, seven Board meetings were held.

Directors	Board of Directors	
	Eligible to Attend	Attended
Andrew Haythorpe	7	7
James Robinson	7	7
Harry Karelis	7	7
Trevor Gosatti ⁽¹⁾	-	-
Patrick Corr ⁽¹⁾	-	-
Brett Matich ⁽¹⁾	-	-
Sean McGrath ⁽¹⁾	-	-

⁽¹⁾ Resigned 14 August 2014

Proceedings on behalf of the Company

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

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

During the period the Company settled a claim from a German based historical supplier for \$35,000. The claim dated back to dealing with Premium Pipe Services Pty Ltd, a 100% wholly owned subsidiary of VTX Holdings Limited, in 2009.

Non-audit services

The Company may decide from time to time to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

No fees were paid to Pitcher Partners (WA) Pty Ltd for non-audit services relating to the 2015 financial year (2014: \$1,020).

Auditor's independence declaration

The auditor's independence declaration is included on page 18 of the annual report.

Remuneration Report (Audited)

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of the Group's key management personnel for the financial year ended 30 June 2015. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. The prescribed details for each person covered by this report are detailed below under the following headings:

- key management personnel
- remuneration policy
- relationship between the remuneration policy and Company performance
- remuneration of key management personnel
- bonuses and share-based payments granted as compensation for the current financial year
- key terms of employment contracts
- adoption of remuneration report by shareholders

Key management personnel

The directors and other key management personnel of the Group during or since the end of the financial year were:

- Mr Andrew Haythorpe (Chairman, Non-Executive Director) - appointed 14 August 2014
- Mr James Robinson (Non-Executive Director)
- Mr Harry Karelis (Non-Executive Director) - appointed 14 August 2014
- Mr Patrick Corr (Chairman) - resigned 14 August 2014
- Mr Trevor Gosatti (Managing Director) - resigned 14 August 2014
- Mr Brett Matich (Non-Executive Director) - resigned 14 August 2014
- Mr Sean McGrath (Non-Executive Director) - resigned 14 August 2014

Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year.

Remuneration policy

The Board as a whole is responsible for considering remuneration policies and packages applicable both to Board members and senior executives of the Company. The Board has not engaged the services of a remuneration consultant to provide recommendations when setting the remuneration received by the directors. Broadly, the Company's remuneration policy is to ensure that any remuneration package properly reflects the person's duties and responsibilities and that it is competitive in attracting, retaining and motivating people of the highest calibre.

Further, the policy incorporates the following key criteria of good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive remuneration;
- transparency; and
- capital management.

Non-Executive directors

The remuneration of Non-Executive directors consists of directors' fees, payable in arrears. The total aggregate fee pool to be paid to directors (excluding Executive directors) is set at \$200,000 per year. Remuneration of Non-Executive directors is based on fees approved by the Board of directors and is set at levels to reflect market conditions and encourage the continued services of the directors. Non-Executive directors do not receive retirement benefits but are able to participate in share-based incentive programmes in accordance with Company policy.

The Company's Non-Executive directors are eligible to receive fees for their services and the reimbursement of reasonable expenses. A monthly fee of \$7,000 (exc. GST) is paid to Cicero Corporate Services Pty Ltd ("CCS"), a company related to Mr Robinson for corporate administration services including financial reporting, company secretarial services, rent and administrative operations.

Relationship between the remuneration policy and company performance

Director remuneration is currently not linked to either long term or short term performance conditions. The Board feels that the terms and conditions of options and shares currently on issue to the directors are a sufficient, long term incentive to align the goals of the directors with those of the shareholders to maximise shareholder wealth, and as such, has not set any performance conditions for the directors of the Company. The Board will continue to monitor this policy to ensure that it is appropriate for the Company in future years.

The table below sets out summary information about the Group's earnings and movement in shareholder wealth for the five years to 30 June 2015:

	30 June 2015	30 June 2014	30 June 2013	30 June 2012	30 June 2011
Revenue (\$)	19,118	5,813	18,950	251,613	1,138,469
Net (loss)/profit before tax (\$)	(390,702)	(840,940)	(376,457)	(650,885)	220,399
Net (loss)/profit after tax (\$)	(390,702)	(840,940)	(376,457)	(650,885)	220,399
Share price at start of year (\$)	0.001	0.001	0.001	0.001	0.001
Share price at end of year (\$)	0.041*	0.001	0.001	0.001	0.001
Basic and diluted profit/(loss) cents per share	(0.001)*	(0.00027)	(0.00017)	(0.00053)	0.00244

* Post-consolidation basis

Remuneration of key management personnel

	Short-term employee benefits				Post-employment benefits	Share-based payment	Total \$
	Salary & fees \$	Bonus \$	Non-monetary \$	Other \$	Super-annuation \$	Options \$	
2015 Directors							
Andrew Haythorpe ⁽¹⁾	52,903	-	-		-	-	52,903
James Robinson ⁽²⁾	64,000	-	-	150,687	-	-	214,687
Harry Karelis ⁽¹⁾	52,903	-	-		-	-	52,903
Patrick Corr ⁽³⁾	-	-	-	-	-	-	-
Trevor Gosatti ⁽³⁾	-	-	-	-	-	-	-
Brett Matich ⁽³⁾	-	-	-	-	-	-	-
Sean McGrath ⁽³⁾	-	-	-	-	-	-	-
	169,806	-	-	150,687	-	-	320,493
2014 Directors							
Patrick Corr ⁽³⁾	20,000	-	-	-	1,838	-	21,838
Trevor Gosatti ⁽³⁾	-	-	-	-	-	-	-
James Robinson	108,000	-	-	144,000	-	-	252,000
Brett Matich ⁽³⁾	139,097	-	-	22,329	-	-	161,426
Sean McGrath ⁽³⁾	-	-	-	-	-	-	-
	267,097	-	-	166,329	1,838		435,264

⁽¹⁾ Appointed 14 August 2014

⁽²⁾ A monthly fee of \$7,000 (exc. GST) paid to CCS, a company related to Mr Robinson for corporate administration services including financial reporting, company secretarial services and administrative operations. Furthermore, the Company announced on 17 November 2014 that CAS, a corporate advisory firm and AFS License holder associated with VTX Director James Robinson, was appointed as Manager to the SPP Shortfall Offer. The SPP Shortfall Offer was closed on 5 December 2014 with a total of \$851,513 being raised for which CAS received a 6% fee.

⁽³⁾ Resigned 14 August 2014.

Bonuses

No bonuses were paid to key management personnel during the financial year (2014: \$NIL).

Incentive share-based payments arrangements

During the financial year, there were no share-based payment arrangements in existence (2014: NIL). No shares were issued during the financial year to directors or key management personnel as a result of exercising remuneration options (2014: NIL).

Adoption of remuneration report by shareholders

The adoption of the remuneration report for the financial year ended 30 June 2014 was put to the shareholders of the Company at the Annual General Meeting (AGM) held on 21 October 2014. All proxies received were in favour of the resolution and the resolution was passed without amendment on a show of hands. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

DIRECTORS' REPORT

This is the end of the audited remuneration report.

This Directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in blue ink, appearing to read 'A Haythorpe', written over a faint circular stamp.

Andrew Haythorpe
Chairman

Perth, 31 August 2015

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of VTX Holdings Limited and its controlled entity

In relation to the independent audit for the year ended 30 June 2015, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of any applicable code of professional conduct.

This declaration is in respect of VTX Holdings Limited and the entity it controlled during the year.

Pitcher Partners Corporate & Audit (WA) Pty Ltd

PITCHER PARTNERS CORPORATE & AUDIT (WA) PTY LTD



PAUL MULLIGAN
Executive Director
Perth, 31 August 2015

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
VTX HOLDINGS LIMITED AND ITS CONTROLLED ENTITY**

Report on the Financial Report

We have audited the accompanying consolidated financial report of VTX Holdings Limited (the "Company"), and its controlled entity (together the "Group") which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the 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.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the consolidated 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 consolidated financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 3, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 Group'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 consolidated 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*.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
VTX HOLDINGS LIMITED AND ITS CONTROLLED ENTITY**

Opinion

In our opinion:

- (a) the consolidated financial report of VTX Holdings Limited and its controlled entity is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2015 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 consolidated financial report also complies with *International Financial Reporting Standards* as disclosed in Note 3.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 16 of the directors' report for the year ended 30 June 2015. 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.

Opinion

In our opinion, the Remuneration Report of VTX Holdings Limited and its controlled entity for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

Pitcher Partners Corporate & Audit (WA) Pty Ltd

PITCHER PARTNERS CORPORATE & AUDIT (WA) PTY LTD



PAUL MULLIGAN
Executive Director
Perth, 31 August 2015

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 22 to 48 in accordance with the *Corporations Act 2001*:

- (a) Comply with Accounting Standards and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements;
- (b) As stated in Note 3 the consolidated financial statements also comply with International Financial Reporting Standards; and
- (c) Give a true and fair view of the financial position of the consolidated entity as at 30 June 2015 and of its performance for the year ended on that date.

In the directors' opinion there are reasonable grounds to believe that VTX Holdings Limited and its controlled entity will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declaration required to be made by the Chairman to the directors in accordance with sections 295A of the *Corporations Act 2001* for the financial year ended 30 June 2015.

This declaration is made in accordance with a resolution of the directors.



Andrew Haythorpe
Chairman

Perth, 31 August 2015

VTX HOLDINGS LIMITED AND ITS CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
CONTINUING OPERATIONS			
Other income	5	19,118	5,813
Total continuing operations		19,118	5,813
EXPENSES			
Research and development costs, materials and consultants		(24,627)	(214,011)
Directors' fees, salaries, superannuation and consulting costs		(170,306)	(274,214)
Depreciation expenses		(4,856)	(8,858)
Public company costs, fees, share registry, shareholder costs		(59,989)	(24,604)
Occupancy costs		4,361	(39,491)
Legal fees		(18,232)	(5,459)
Audit fees		(25,147)	(20,588)
Insurances		(8,567)	(14,394)
Interest expenses		(438)	(815)
Other expenses from ordinary activities		(13,019)	(100,319)
Corporate fees		(89,000)	(144,000)
Total expenses		(409,820)	(846,753)
Loss before tax	6	(390,702)	(840,940)
Income tax benefit	7	-	-
Loss for the year from continuing operations		(390,702)	(840,940)
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(390,702)	(840,940)
Loss attributable to:			
Owners of the Company		(390,702)	(840,940)
Non-controlling interests		-	-
		(390,702)	(840,940)
Total comprehensive expense attributable to:			
Owners of the Company		(390,702)	(840,940)
Non-controlling interests		-	-
		(390,702)	(840,940)
Loss per share			
From continuing and discontinuing operations			
Basic and diluted (cents per share)	8	(0.001)*	(0.00027)

*Post-consolidation basis

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 26 to 48.

VTX HOLDINGS LIMITED AND ITS CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2015

	Notes	2015 \$	2014 \$
Current assets			
Cash and cash equivalents	20	937,776	27,479
Trade and other receivables	9	20,686	11,277
Other current assets	10	100,000	-
Total current assets		1,058,462	38,756
Non-current assets			
Plant and equipment	11	19,277	24,133
Total non-current assets		19,277	24,133
Total assets		1,077,739	62,889
Current liabilities			
Trade and other payables	12	93,040	294,887
Total current liabilities		93,040	294,887
Total liabilities		93,040	294,887
Net assets		984,699	(231,998)
Equity			
Issued capital	13	11,415,813	9,811,391
Reserves	14	660,074	657,097
Accumulated losses		(11,091,188)	(10,700,486)
Total equity		984,699	(231,998)

The consolidated statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 26 to 48.

VTX HOLDINGS LIMITED AND ITS CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2015

	Share Capital \$	Option Premium Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2013	9,811,391	563,097	(9,859,546)	514,942
Comprehensive income for the year				
Loss for the year	-	-	(840,940)	(840,940)
Total comprehensive income for the year			(840,940)	(840,940)
Issue of options	-	100,000	-	100,000
Option issue costs	-	(6,000)	-	(6,000)
Balance at 30 June 2014	9,811,391	657,097	(10,700,486)	(231,998)
Balance at 1 July 2014	9,811,391	657,097	(10,700,486)	(231,998)
Comprehensive income for the year				
Loss for the year	-	-	(390,702)	(390,702)
Total comprehensive income for the year		-	(390,702)	(390,702)
Issue of shares/options	1,679,013	2,977	-	1,681,990
Share/Option issue costs	(74,591)	-	-	(74,591)
Balance at 30 June 2015	11,415,813	660,074	(11,091,188)	984,699

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 26 to 48.

VTX HOLDINGS LIMITED AND ITS CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Payments to suppliers and employees		(615,782)	(593,965)
Deposit on potential investment		(100,000)	-
Interest received		19,118	5,813
Interest paid		(438)	(815)
Net cash used by operating activities	20	(697,102)	(588,967)
Cash flows from investing activities			
Net cash generated by investing activities		-	-
Cash flows from financing activities			
Proceeds from issues of shares		1,679,013	-
Payments of share issue costs		(74,591)	-
Proceeds from issue of options		2,977	100,000
Payment for option issue costs		-	(6,000)
Net cash generated by financing activities		1,607,399	94,000
Net (decrease)/increase in cash and cash equivalents		910,297	(494,967)
Cash and cash equivalents at the beginning of the year		27,479	522,446
Cash and cash equivalents at the end of the year	20	937,776	27,479

The consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 26 to 48.

1. General information

VTX Holdings Limited (the Company and controlled entity) is a limited company incorporated in Australia. The addresses of its registered office and principal place of business are disclosed in the corporate directory of the annual report. The principal activity in the course of the financial year was the development and commercialisation of the ShieldLiner System.

2. Application of new and revised Accounting Standards

2.1 New and revised standards that effective for these financial statements

A number of new and revised standards and an interpretation became effective for the first time to annual periods beginning on or after 1 July 2014. Information on these new standards that are relevant to the Group is presented below.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.

AASB 2012-3 is applicable to annual reporting periods beginning on or after 1 January 2014.

The adoption of these amendments has not had a material impact on the Group as the amendments merely clarify the existing requirements in AASB 132.

AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets

These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

When developing IFRS 13 *Fair Value Measurement*, the IASB decided to amend IAS 36 *Impairment of Assets* to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to IAS 36 therefore clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

AASB 2013-3 makes the equivalent amendments to AASB 136 *Impairment of Assets* and is applicable to annual reporting periods beginning on or after 1 January 2014.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles)

Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the IASB of International Financial Reporting Standards *Annual Improvements to IFRSs 2010-2012 Cycle* and *Annual Improvements to IFRSs 2011-2013 Cycle*.

Among other improvements, the amendments arising from *Annual Improvements to IFRSs 2010-2012 Cycle*:

- clarify that the definition of a ‘related party’ includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity)
- amend AASB 8 *Operating Segments* to explicitly require the disclosure of judgements made by management in applying the aggregation criteria

2. Application of new and revised Accounting Standards (cont'd)

2.1 New and revised standards that effective for these financial statements (cont'd)

AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles) (cont'd)

Among other improvements, the amendments arising from *Annual Improvements to IFRSs 2011-2013 Cycle* clarify that an entity should assess whether an acquired property is an investment property under AASB 140 *Investment Property* and perform a separate assessment under AASB 3 *Business Combinations* to determine whether the acquisition of the investment property constitutes a business combination.

Part A of AASB 2014-1 is applicable to annual reporting periods beginning on or after 1 July 2014.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

2.2 Accounting Standards issued but not yet effective and not been adopted early by the Group

Pronouncement	Nature of Change	Effective Date
AASB 9 <i>Financial Instruments</i> (December 2014)	AASB 9 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.	1 January 2018
AASB 15 <i>Revenue from Contracts with Customers</i>	<p>AASB 15:</p> <ul style="list-style-type: none"> • replaces AASB 118 <i>Revenue</i>, AASB 111 <i>Construction Contracts</i> and some revenue-related Interpretations; • establishes a new revenue recognition model • changes the basis for deciding whether revenue is to be recognised over time or at a point in time • provides new and more detailed guidance on specific topics (e.g., multiple element arrangements, variable pricing, rights of return, warranties and licensing) • expands and improves disclosures about revenue 	1 January 2017 (however note that both the IASB & AASB have recently issued Exposure Drafts, proposing to defer the effective date to 1 January 2018)

The above new standards and interpretations are not expected to have a material impact on the Group's financial statements.

3. Significant accounting policies

3.1. Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with *International Financial Reporting Standards* ("IFRS").

The financial statements were authorised for issue by the directors on 31 August 2015.

3. Significant accounting policies (cont'd)

3.2. Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, which is the Group's functional currency, unless otherwise noted.

The following significant accounting policies have been adopted in the preparation and presentation of the consolidated financial statements:

3.3. Going concern

The consolidated financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group has incurred a net loss after tax for the year ended 30 June 2015 of \$390,702 (2014: loss \$840,940), and a net cash outflow from operations of \$697,102 (2014: outflow of \$588,967). At 30 June 2015, the Group has net current assets of \$965,422 (2014: \$256,131 net current liabilities) and net equity of \$984,699 (2014: (\$231,998)).

Subsequent to balance date, the Company issued a total of 63,525,534 shares arising on the conversion of options to raise a total of \$1,588,138.

The Directors are satisfied that, having reviewed the performance of the Group and forecasts for the forthcoming year, the Group has adequate resources to enable it to continue in business for the foreseeable future. For this reason, the Directors have adopted the going concern basis for the preparation of the consolidated financial statements.

3.4. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entity controlled by the Company (its subsidiary). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expense of subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiary to bring its accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiary that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. Significant accounting policies (cont'd)

3.4. Basis of consolidation (cont'd)

When the Group loses control of a subsidiary, a gain or loss is recognised the statement of comprehensive income and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

(a) Intangibles

Patents, trademarks, core technologies and licences

Patents, trademarks, core technologies and licences are acquired and are recorded at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight line basis over their estimated useful lives of 20 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. All revenue is stated net of the amount of goods and services tax (GST).

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. Revenue is recognised for the major business activities as follows:

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(c) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Finance lease assets are depreciated on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. Significant accounting policies (cont'd)

3.4. Basis of consolidation (cont'd)

(d) Foreign currencies

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Exchange differences are recognised in profit or loss in the period in which they arise.

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the consolidated statement of comprehensive income in the period in which they are incurred.

(f) Share-based payments

Equity-settled share-based payments to employees and others providing services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

(g) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. Significant accounting policies (cont'd)

3.4. Basis of consolidation (cont'd)

(g) Taxation (cont'd)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(h) Tax consolidation

VTX Holdings and its 100% owned Australian resident subsidiary has implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

VTX recognises its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated Group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group. Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated Group.

(i) Plant and equipment

Plant, equipment, vehicles and other fixed assets are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

3. Significant accounting policies (cont'd)

3.4. Basis of consolidation (cont'd)

(i) Plant and equipment (cont'd)

Depreciation is provided on plant, equipment, vehicles and other fixed assets. Depreciation is calculated on a diminishing value basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The depreciation rates used for each class of asset for the current period are as follows:

- | | |
|--|-----------|
| • Plant and equipment | 5% - 60% |
| • Motor vehicles | 20% - 25% |
| • Furniture, fittings and office equipment | 25% - 40% |

Asset held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(j) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit and loss.

Classification and Subsequent Measurement

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amounts due less provision for doubtful debts. Loans and receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

3. Significant accounting policies (cont'd)

3.4. Basis of consolidation (cont'd)

(j) Financial instruments (cont'd)

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

(k) Impairment of financial assets

At each reporting date, the Group assesses all financial assets, other than those held at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired. For amounts due to the Group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments, are all considered indicators of impairment.

Impairment losses are recognised in profit or loss, and are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset, at the date that the impairment is reversed, shall not exceed what the carrying amount would have been had the impairment not been recognised. Reversals of impairment losses are recognised in profit or loss.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write-off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

(l) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables in the consolidated statement of financial position are recognised inclusive of GST.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, other short-term highly liquid investments with original maturities of three (3) months or less, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

(n) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3. Significant accounting policies (cont'd)

3.4. Basis of consolidation (cont'd)

(n) Impairment of non-financial assets (cont'd)

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Tests are conducted annually by the Company to determine whether the carrying value of Technology rights and capitalised patent expenditure has suffered any impairment

(o) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by adjusting profit or loss attributable to ordinary equity holders of the parent entity, and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares.

(q) Comparative amounts

Where necessary, comparative figures have been reclassified and repositioned for consistency with current year disclosures.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 3, the directors are required to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Carrying value of Technology rights and capitalised patent expenditure

Tests are conducted annually by the Company to determine whether the carrying value of technology rights and capitalised patent expenditure has suffered any impairment, in accordance with the accounting policy stated in Notes 3.4(a) and 3.4(l). At 30 June 2009, the Group fully provided for the remaining carrying values of all intangible assets, owing to the significant uncertainty for future operations. No adjustment to those provisions was made at 30 June 2015 (2014: \$NIL).

Deferred Tax Assets

Deferred tax assets have not been brought to account because future profits are not yet probable.

5. Revenue

Operating Activities

Other Income
Interest received

2015 \$	2014 \$
19,118	5,813
19,118	5,813

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for the year ended 30 June 2015

6. Loss for the year

Loss for the year has been arrived at after charging:

	2015	2014
	\$	\$
Audit fees	25,147	20,558
(Profit)/Loss on disposal or write-off of plant and equipment	-	11,779

7. Income taxes

Income tax recognised in profit or loss

	2015	2014
	\$	\$
Current tax	-	-
Deferred tax	-	-
	-	-

The income tax expense for the year can be reconciled to the accounting profit/(loss) as follows:

Loss before tax	(390,702)	(840,940)
Income tax expense/(benefit) calculated at 30% (2014: 30%)	(117,211)	(252,282)
Adjustment in respect of previous current income tax	(68,780)	(14,258)
Effect of expenses that are not deductible on determining taxable profit/(loss)	27,131	56,225
Other deductible items	(17,232)	(15,159)
Utilisation of prior year losses	-	-
Effect of unused tax losses not recognised as deferred tax assets	176,092	225,474
Income tax expense in consolidated statement of comprehensive income	-	-

The tax rate used for the 2015 and 2014 tax reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

Tax Losses

Deferred tax assets on the unused 2015 revenue tax loss of \$7,364,210 (2014: \$7,037,567) and 2015 capital tax loss of \$140,760 (2014: \$169,199) has not been recognised as the future recovery of these losses is subject to the Group satisfying the requirements imposed by the regulatory authorities. The benefit of deferred tax assets not brought to account will only be brought to account if:

- Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised.
- The conditions for deductibility imposed by tax legislation continue to be complied with and no changes in tax legislation adversely affect of the Group in realising the benefit.

Unrecognised deferred tax assets

Net deferred tax assets (calculated at 30%) have not been recognised in respect of the following items:

	2015	2014
	\$	\$
Capital raising costs recognised directly in equity	30,090	19,476
Revenue income tax losses not brought to account at 30%	2,167,035	2,111,270
Capital income tax losses not brought to account at 30%	42,228	50,760
Other temporary differences	285	137,250
Unrecognised deferred tax assets relating to the above temporary differences	2,239,638	2,318,756

VTX HOLDINGS LIMITED AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

8. Loss per share

Basic loss per share

	2015 Cents per share*	2014 Cents per share
From continuing operations	(0.001)	(0.00027)
From discontinued operations	-	-
Total basic loss per share	(0.001)	(0.00027)

* Post-consolidation basis

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2015 \$	2014 \$
Loss for the year from continuing operations	(390,702)	(840,940)
Profit for the year from discontinued operations	-	-
Loss for the year	(390,702)	(840,940)

Weighted average number of ordinary shares for the purposes of basic loss per share

* Post-consolidation basis

No.*	No.
270,298,607	3,141,972,236

Diluted loss per share

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted loss per share.

	No.*	No.
Listed options exercisable at \$0.025 on or before 25 October 2015	175,980,266	3,125,000,000
Unlisted options exercisable at \$0.025 on or before 31 August 2018	99,019,734	-

* Post-consolidation basis

9. Trade and other receivables

	2015 \$	2014 \$
Trade debtors	386,847	386,847
Provision for impairment (i)	(386,847)	(386,847)
Sundry debtors and prepayments	20,686	11,277
	20,686	11,277

(i) As at 30 June 2015, current trade receivables of the Group with a value of \$386,847 were impaired. The amount of the provision was \$386,847.

Trade receivables past due but not impaired

There were no other trade receivables past due but not impaired (2014: \$NIL).

Fair value and credit risk

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value.

VTX HOLDINGS LIMITED AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

10. Other current assets

The Company signed a binding terms sheet ("Terms Sheet") to acquire 100% of the equity interests in NexGen Networks Limited ("NexGen") ("Transaction"). In consideration of the Transaction, the Company paid a non-refundable cash deposit of \$100,000 upon execution of the Terms Sheet to NexGen as initial consideration.

Financial information relating to the other current asset is set out below:

	2015 \$	2014 \$
Balance at the beginning of the year	-	121,589
Additions	100,000	19,171
Total	100,000	140,760
Less: Impairment loss	-	(140,760)
Balance at the end of the year	100,000	-

At the end of 2014 and following rigorous due diligence investigations with respect to the option agreements it held to acquire up to 100% of the Snelgrove DSO iron ore project, the Board decided not to pursue this opportunity and the options lapsed.

11. Plant and equipment

	2015 \$	2014 \$
Plant and equipment at cost	379,838	379,838
Accumulated depreciation and impairment	(374,841)	(373,668)
	4,997	6,170
Motor vehicles at cost	85,972	85,972
Accumulated depreciation	(71,692)	(68,341)
	14,280	17,631
Office equipment at cost	64,596	64,596
Accumulated depreciation	(64,596)	(64,596)
	-	-
Office furniture at cost	17,991	17,991
Accumulated depreciation	(17,991)	(17,659)
	-	332
Total accumulated depreciation and impairment	19,277	24,133

Movement in Carrying Amounts:

	Plant & Equipment \$	Motor Vehicles \$	Office Furniture \$	Office Equipment \$	Total \$
Carrying amount at 30 June 2013	7,498	36,723	-	549	44,770
Disposals	-	(11,779)	-	-	(11,779)
Depreciation expense	(1,328)	(7,313)	-	(217)	(8,858)
Carrying amount at 30 June 2014	6,170	17,631	-	332	24,133
Disposals/write-off	-	-	-	-	-
Depreciation expense	(1,173)	(3,351)	-	(332)	(4,856)
Carrying amount at 30 June 2015	4,997	14,280	-	-	19,277

VTX HOLDINGS LIMITED AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

12. Trade and other payables

Current

Unsecured trade creditors
Sundry creditors and accruals

2015 \$	2014 \$
27,071	168,957
65,969	125,930
93,040	294,887

13. Issued capital

325,000,00 fully paid ordinary shares
(2014: 3,141,972,236)

2015 \$	2014 \$
11,415,813	9,811,391

Fully paid ordinary shares

	2015		2014	
	No.	\$	No.	\$
Balance at beginning of year	3,141,972,236	9,811,391	3,141,972,236	9,811,391
Shares issued at \$0.0005 per share	1,385,000,000	692,500	-	-
Consolidation on a 1:20 basis	(4,300,623,565)	-	-	-
SPP Placement at \$0.01 per share	98,651,329	986,513	-	-
Share issue costs	-	(74,591)	-	-
Balance at end of year	325,000,000	11,415,813	3,141,972,236	9,811,391

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

Share options on issue

Share options issued by the Company carry no rights to dividends and no voting rights. As at 30 June 2015, the Company has 175,980,266 listed share options on issue (2014: 3,125,000,000) exercisable on a 1:1 basis for 175,980,266 shares (2014: 3,125,000,000) at an exercise price of \$0.025 cents on a post-consolidation basis. The listed options expire on 25 October 2015. As at 30 June 2015, the Company also has 99,019,734 unlisted share options on issue (2014: NIL) exercisable on a 1:1 basis for 99,019,734 shares (2014: NIL) at an exercise price of \$0.025 cents on a post-consolidation basis. The options expire on 31 August 2018.

During the year no options were converted into shares (2014: NIL).

Subsequent to year end the Company has issued a total of 63,525,534 shares arising on the conversion of options to raise a total of \$1,588,138. Refer to Note 26 for a detailed breakdown of the options exercised.

14. Reserves

Option reserve balance at beginning of year
Options issued during the year
Option reserve balance at end of the financial year

2015 \$	2014 \$
657,097	563,097
2,977	94,000
660,074	657,097

The reserve arises on the grant of share options to executives, employees, consultants and advisors. They also arise upon issue of options to shareholders or buyers. Amounts are transferred out of reserve and into accumulated losses when options expire or lapse. Further information about options is made in Note 16 to the financial statements.

15. Financial instruments

Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2014.

The Group is not subject to any externally imposed capital requirements.

Financial risk management objectives

The Board of directors provides services to business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include interest rate risk, liquidity risk and credit risk.

The Group seeks to minimise the effects of these risks by making use of credit risk policies and future cash requirements. These are approved by the Board of directors and are reviewed on a regular basis.

Interest rate risk

The Group is exposed to interest rate risk as the Group deposits the bulk of the Group's cash reserves in Short Term Deposits with the NAB or other acceptable Australian Banking entities. The risk is managed by the Group by maintaining an appropriate mix between short term deposits and at call deposits. The Group's exposure to interest rate on financial assets is detailed in the interest rate risk sensitivity analysis section of this note.

Interest rate sensitivity analysis

An increase of 50 basis points in interest rates (all other variables remaining constant) would have decreased the Group's loss by \$4,689 (2014: \$137). Where interest rates decreased, there would be an equal and opposite impact on the loss.

Fair value of financial assets and liabilities

The carrying amount of financial assets and financial liabilities recorded in the consolidated financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 3.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations with financial liabilities. Ultimate responsibility for liquidity risk management rests with the Board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium, and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows, identifying when further capital raising initiatives are required. The Group presently has no significant source of operating income; it is reliant on equity contributions and cooperation of creditors and lenders to continue as a going concern.

VTX HOLDINGS LIMITED AND ITS CONTROLLED ENTITY
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for the year ended 30 June 2015

15. Financial instruments (cont'd)

Liquidity risk (cont'd)

	Contractual cash flows				
	Carrying amount \$	<6 months \$	>6-12 months \$	>12 months \$	Total contractual cash flows \$
2015					
Financial assets					
Cash and cash equivalents	937,776	937,776	-	-	937,776
Trade and other receivables	20,686	-	20,687	-	20,686
	958,462	937,776	20,687	-	958,462
Financial liabilities					
Trade and other payables	93,040	93,040	-	-	93,040
	93,040	93,040	-	-	93,040
2014					
Financial assets					
Cash and cash equivalents	27,479	27,479	-	-	27,479
Trade and other receivables	11,277	-	11,277	-	11,277
	38,756	2,7479	11,277	-	38,756
Financial liabilities					
Trade and other payables	294,887	294,887	-	-	294,887
	294,887	294,887	-	-	294,887

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The Group's bank has an "AA-" long term issuer rating by Standards & Poors (S&P).

Impairment losses

As at 30 June 2014 the Board decided not to pursue the Snelgrove DSO iron ore project and allowed the option to lapse. As such, as at 30 June 2014 the Group has recorded an impairment of \$140,760 against its other current assets. No impairment losses were recognised for the year ended 30 June 2015. Refer to Note 10 for an analysis of the impaired loss. At risk amounts are as follows:

	2015 \$	2014 \$
Financial assets		
Cash and cash equivalents	937,776	27,479
Trade and other receivables	20,687	11,277
	958,463	38,756

Fair value measurements

The carrying amount of financial assets and financial liabilities recorded in the consolidated financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 3 to the financial statements.

VTX HOLDINGS LIMITED AND ITS CONTROLLED ENTITY
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for the year ended 30 June 2015

16. Share options

Each option issued converts into one ordinary share of VTX Holdings Limited on exercise. Options neither carry rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

With shareholders' approval obtained at the Company's AGM on 21 October 2014, the terms of the Class A Options were varied and official quotation was granted by ASX for the options (ASX:VTXO, exercisable at \$0.025 on or before 25 October 2015) from the commencement of trading on Monday, 17 November 2014. Concurrently, approval was given for the issue 19,730,266 listed options subscribed for under the SPP and SPP Shortfall Offer.

Furthermore shareholders ratified the issue of 69,250,000 free attaching unlisted options (on a post-consolidation basis) exercisable at \$0.025, expiring 31 August 2018; a new class of security in the Company.

Movements in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

	2015		2014	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Balance at beginning of the year	3,125,000,000	0.00125	1,500,000,000	0.00125
Consolidation on a 1:20 basis	(2,968,750,000)	-	-	-
Granted during the year	118,750,000	0.025	1,625,000,000	0.00125
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Balance at end of the year	275,000,000	0.025	3,125,000,000	0.00125
Exercisable at end of the year	275,000,000	0.025	3,125,000,000	0.00125

Share options exercised during the year

No share options were exercised during the financial year (2014: NIL).

Share options outstanding at the end of the year

The share options of 275,000,000 outstanding at the end of the year had a weighted average exercise price of \$0.025 (2014: \$0.025; post-consolidation) and a weighted average remaining contractual life of 1,148 days (2014: 730 days).

17. Subsidiary

Entity	Incorporation	2015 Ownership	2014 Ownership
Premium Pipe Services Pty Ltd	Australia	100%	100%

	2015 \$	2014 \$
Investment in controlled entity	1,162,362	1,162,362
Provision for impairment	(1,162,362)	(1,162,362)
	-	-

18. Key management personnel compensation

Details of key management personnel

The directors and other members of key management personnel of the Group during the year were:

- Mr James Robinson (Non-Executive Director)
- Mr Andrew Haythorpe (Chairman, Non-Executive Director) - appointed 14 August 2014
- Mr Harry Karelis (Non-Executive Director) - appointed 14 August 2014
- Mr Patrick Corr (Chairman) - resigned 14 August 2014
- Mr Trevor Gosatti (Managing Director) - resigned 14 August 2014
- Mr Brett Matich (Non-Executive Director) - resigned 14 August 2014
- Mr Sean McGrath (Non-Executive Director) - resigned 14 August 2014

Key management personnel compensation

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

	2015 \$	2014 \$
Short-term employee benefits	169,806	268,935
Other benefits (i)	150,687	166,329
	320,493	435,264

(i) A monthly fee of \$7,000 (exc. GST) paid to CCS, a company related to Mr Robinson for corporate administration services including financial reporting, company secretarial services and administrative operations. Furthermore, the Company announced on 17 November 2014 that CAS, a corporate advisory firm and AFS License holder associated with VTX Director James Robinson, was appointed as Manager to the SPP Shortfall Offer. The SPP Shortfall Offer was closed on 5 December 2014 with a total of \$851,513 being raised for which CAS received a 6% fee.

The remuneration of directors and key executives is determined by the board of directors having regard to the performance of individuals and market trends.

The compensation of each member of the key management personnel of the Group is set out below:

	Short-term employee benefits				Post-employment benefits	Share-based payment	Total \$
	Salary & fees \$	Bonus \$	Non-monetary \$	Other \$	Super-annuation \$	Options \$	
2015 Directors							
Andrew Haythorpe ⁽¹⁾	52,903	-	-	-	-	-	52,903
James Robinson ⁽²⁾	64,000	-	-	150,687	-	-	214,687
Harry Karelis ⁽¹⁾	52,903	-	-	-	-	-	52,903
Patrick Corr ⁽³⁾	-	-	-	-	-	-	-
Trevor Gosatti ⁽³⁾	-	-	-	-	-	-	-
Brett Matich ⁽³⁾	-	-	-	-	-	-	-
Sean McGrath ⁽³⁾	-	-	-	-	-	-	-
	169,806	-	-	150,687	-	-	320,493

⁽¹⁾ Appointed 14 August 2014

⁽²⁾ A monthly fee of \$7,000 (exc. GST) paid to CCS, a company related to Mr Robinson for corporate administration services including financial reporting, company secretarial services and administrative operations. Furthermore, the Company announced on 17 November 2014 that CAS, a corporate advisory firm and AFS License holder associated with VTX Director James Robinson, was appointed as Manager to the SPP Shortfall Offer. The SPP Shortfall Offer was closed on 5 December 2014 with a total of \$851,513 being raised for which CAS received a 6% fee.

⁽³⁾ Resigned 14 August 2014.

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for the year ended 30 June 2015

Key management personnel compensation (cont'd)

	Short-term employee benefits				Post-employment benefits	Share-based payment	Total
	Salary & fees \$	Bonus \$	Non-monetary \$	Other \$	Super-annuation \$	Options \$	
2014 Directors							
Patrick Corr ⁽¹⁾	20,000	-	-	-	1,838	-	21,838
Trevor Gosatti ⁽¹⁾	-	-	-	-	-	-	-
James Robinson	108,000	-	-	144,000	-	-	252,000
Brett Matich ⁽¹⁾	139,097	-	-	22,329	-	-	161,426
Sean McGrath ⁽¹⁾	-	-	-	-	-	-	-
	267,097	-	-	166,329	1,838	-	435,264

⁽¹⁾ Resigned 14 August 2014.

19. Related party transactions

The immediate parent and ultimate controlling party of the Group is VTX Holdings Limited.

Balances and transactions between the Company and its subsidiary, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below:

19.1. Loans to related parties

	2015 \$	2014 \$
Loans to subsidiary	2,504,224	2,504,224
Provision for impairment	(2,504,224)	(2,504,224)
	-	-

Loans are made by the parent entity, VTX Holdings Limited, to its subsidiary for working capital purposes. The loans outstanding between the parent entity and its subsidiary are repayable on demand and are non-interest bearing.

19.2. Other related party transactions

Under an amended engagement letter dated 18 August 2014, Cicero Corporate Services Pty Ltd ("CCS"), a company related to Mr Robinson, agreed to provide corporate administration services to VTX Holdings Limited for a monthly fee of \$7,000 (exc. GST) or an annual fee of \$84,000 (exc. GST). Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.

During the year \$61,687 (exc. GST) was paid to Cicero Advisory Services Pty Ltd ("CAS"), a corporate advisory firm and AFS License holder associated with VTX Director James Robinson appointed as Manager to the SPP Shortfall Offer. The SPP Shortfall Offer was closed on 5 December 2014 with a total of \$851,513 being raised for which CAS received a capital raising fee. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms. No amounts were outstanding at year-end.

Equity interests in related parties

Equity interests in subsidiary

Details of the percentage of ordinary shares held in subsidiary are disclosed in Note 17 to the financial statements.

VTX HOLDINGS LIMITED AND ITS CONTROLLED ENTITY
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for the year ended 30 June 2015

19. Related party transactions (cont'd)

Transactions with key management personnel

Key management personnel compensation

Details of key management personnel compensation are disclosed in Note 18 to the financial statements.

Key management personnel equity holdings

Fully paid ordinary shares of VTX Holdings Limited:

	Balance at 1 July No.	Acquired No.	Net other change No.*	Change resulting from resignation No.	Balance at 30 June No.
2015					
Andrew Haythorpe ⁽¹⁾	200,000,000	11,500,000	(190,000,00)	-	21,500,000
James Robinson	90,000,000	8,000,000	(85,500,000)	-	12,500,000
Harry Karelis ⁽¹⁾	-	10,000,000	-	-	10,000,000
Patrick Corr ⁽²⁾	-	-	-	-	-
Trevor Gosatti ⁽²⁾	45,630,940	-	(43,349,393)	(2,281,547)	-
Brett Matich ⁽²⁾	129,772,957	-	(123,284,309)	(6,488,648)	-
Sean McGrath ⁽²⁾	-	-	-	-	-
2014					
Patrick Corr ⁽²⁾	-	-	-	-	-
Trevor Gosatti ⁽²⁾	45,630,940	-	-	-	45,630,940
James Robinson	84,015,707	5,984,293	-	-	90,000,000
Brett Matich ⁽²⁾	5,000,000	124,772,957	-	-	129,772,957
Sean McGrath ⁽²⁾	-	-	-	-	-

* Consolidation of capital

⁽¹⁾ Appointed 14 August 2014

⁽²⁾ Resigned 14 August 2014.

Share options of VTX Holdings Limited:

The following options were held directly, indirectly or beneficially by key management personnel and their related parties during the year ended 30 June 2015 (2014: NIL):

	Balance at 1 July No.	Acquired No.	Net other change (i) No.	Held on resignation No.	Balance at 30 June No.
2015					
Andrew Haythorpe ⁽¹⁾	-	10,300,000	-	-	10,300,000
James Robinson	-	7,975,000	-	-	7,975,000
Harry Karelis ⁽¹⁾	-	10,000,000	-	-	10,000,000
Patrick Corr ⁽²⁾	-	-	-	-	-
Trevor Gosatti ⁽²⁾	-	-	-	-	-
Brett Matich ⁽²⁾	-	-	-	-	-
Sean McGrath ⁽²⁾	-	-	-	-	-
2014					
Patrick Corr ⁽²⁾	-	-	-	-	-
Trevor Gosatti ⁽²⁾	-	-	-	-	-
James Robinson	-	-	-	-	-
Brett Matich ⁽²⁾	-	-	-	-	-
Sean McGrath ⁽²⁾	-	-	-	-	-

⁽¹⁾ Appointed 14 August 2014

⁽²⁾ Resigned 14 August 2014.

20. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2015 \$	2014 \$
Cash and bank balances	937,776	27,479

(a) Reconciliation of (loss)/profit for the year to net cash flows from operating activities

(Loss)/profit for the year	(390,702)	(840,940)
Non-cash items		
Depreciation	4,856	8,858
(Loss)/profit on disposal or write-off of plant and equipment	-	11,779
	(385,846)	(820,303)
Movements in working capital		
(Increase) in prepayments	(9,409)	913
(Increase) in other current assets	(100,000)	121,589
(Decrease) in trade and other payables	(201,847)	108,834
Net cash used in operating activities	(697,102)	(588,967)

(b) Non-cash transactions

In the prior year, the Group did not enter into any non-cash financing activities which are not reflected in the consolidated statement of cash flows.

21. Contingent liabilities and contingent assets

The directors are not aware of any contingent liabilities and/or contingent assets as at 30 June 2015 (2014: \$35,000).

22. Commitments

	NexGen Networks Transaction	Corporate Fees
Agreement Start date	15/06/2015	18/08/2014
Expiry date	15/11/2015	n/a
Monthly amount	100,000	7,000
Terms of agreement	10 days' notice*	180 days' notice
Within 12 months to June 2016	500,000	42,000
Within 2 <5 years	-	-
Total	500,000	42,000

* In the event of a material breach where the other party fails to remedy such breach.

23. Remuneration of auditors

	2015 \$	2014 \$
Auditor of the Group		
Pitcher Partners Corporate & Audit (WA) Pty Ltd		
Audit and review of the financial statements	25,147	20,588
	25,147	20,588

The auditor of VTX Holdings Limited and its subsidiary is Pitcher Partners Corporate & Audit (WA) Pty Ltd, who were appointed at the 2011 Annual General Meeting held on 23 January 2012.

No fees were paid to Pitcher Partners (WA) Pty Ltd for non-audit services relating to the 2015 financial year (2014: \$1,020).

24. Segment information

The Group identifies its operating segments based on the internal reports that are reviewed and used by the Board of directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group operates primarily in development of the ShieldLiner System technology. The financial information presented in the consolidated statement of comprehensive income and the consolidated statement of financial position is the same as that presented to the chief operating decision maker.

Unless stated otherwise, all amounts reported to the Board of directors as the chief operating decision maker is in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

25. Dividend

No dividend has been paid during the financial year and no dividend is recommended for the financial year.

26. Events after the reporting period

Exercise of Company Options

As at the date of this report the Company has issued a total of 63,525,534 shares arising on the conversion of options to raise a total of \$1,588,138 as outlined in the following table:

	VTX Ordinary Shares	VTXO Quoted Options ⁽¹⁾	VTXAL Unquoted Options ⁽²⁾
Balance as at 30 June 2015	325,000,000	175,980,266	99,019,734
Issued/(Exercised)	63,525,534	(31,540,667)	(31,984,867)
Balance as at the date of this report	388,525,534	144,439,599	67,034,867

⁽¹⁾ Exercisable at \$0.025 on or before 25 October 2015

⁽²⁾ Exercisable at \$0.025 on or before 31 August 2018

26. Events after the reporting period (cont'd)

NexGen Networks Limited Updates

- *2 July 2015: Appointment of Technical and Commercial Advisor*

The Company announced that Mr Cam Worth had been appointed as Technical and Commercial Advisor to the Board of VTX. Mr Worth is assisting the Company in its Due Diligence of the proposed acquisition of NexGen Networks Limited ("NexGen") and will oversee the process of due diligence through to commercialisation.

- *15 July 2015: NexGen Due Diligence Completed*

The Company advised that by way of a formal review of the technology and an extensive testing regime under controlled conditions, performed by Mr Worth, VTX successfully completed its due diligence.

This review and testing provided validation of NexGen's technology and unique ability to optimise network performance, delivering significant efficiencies and improvements in transfer speeds and reducing data usage when transferring data between devices.

The technology has been shown to work effectively on video data and over encrypted connections, opening up significant opportunities based on the current global demand for digital video content and secure / private data exchange over the Internet.

Next steps for NexGen will focus on the development of the mobile application front-end for the platform to be delivered to the Android marketplace initially, with development of the beta application already underway

- *22 July 2015: NexGen engages*

The Board of NexGen approved a strategic development plan in partnership with Simplisite, following the successful completion of due diligence on behalf of VTX. The deal provides NexGen with the resources and expertise necessary to expedite development of the solution and accelerate its time-to-market with considerable optimisation expected.

As full time lead manager, Mr Cam Worth will oversee the project and has been appointed to assemble a team which will carry out the development and further optimise and enhance the performance of the NexGen product.

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27. Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to Note 3 for a summary of the significant accounting policies relating to the Group.

	2015 \$	2014 \$
Statement of financial position		
Current assets		
Cash and bank balances	937,776	27,391
Trade and other receivables	20,686	11,277
Other current assets	100,000	-
Total current assets	1,058,462	38,668
Non-current assets		
Plant and equipment	-	-
Total non-current assets	-	-
Total assets	1,058,462	38,668
Current liabilities		
Trade and other payables	54,278	198,038
Total current liabilities	54,278	198,038
Total liabilities	54,278	198,038
Net assets/(deficiency)	1,004,184	(159,370)
Equity		
Issued capital	11,537,187	9,932,765
Reserves	660,074	657,097
Accumulated losses	(11,193,077)	(10,749,232)
Total equity/(deficiency)	1,004,184	(159,370)
Statement of comprehensive income		
Total (loss)/profit and comprehensive (expense)/income	(443,845)	(814,490)

The parent entity has the following commitments:

	NexGen Networks Transaction	Corporate Fees
Agreement Start date	15/06/2015	18/08/2014
Expiry date	15/11/2015	n/a
Monthly amount	100,000	7,000
Terms of agreement	10 days' notice*	180 days' notice
Within 12 months to June 2016	500,000	42,000
Within 2 <5 years	-	-
Total	500,000	42,000

* In the event of a material breach where the other party fails to remedy such breach.

28. Approval of financial statements

The consolidated financial statements were approved by the Board of directors and authorised for issue on 31 August 2015.

ADDITIONAL SECURITIES EXCHANGE INFORMATION for the year ended 30 June 2015

Additional securities exchange information as at 28 August 2015

Number of holders of equity securities

Ordinary share capital

388,525,534 fully paid ordinary shares are held by 1,766 individual shareholders.

All issued ordinary shares carry one vote per share and the right to dividends.

Listed options

144,439,599 unlisted options are held by 214 individual option holders.

Options do not carry a right to vote.

Unlisted options

67,034,867 unlisted options are held by 13 individual option holders.

Options do not carry a right to vote.

Distribution of holders of equity securities

Spread of Holdings	Fully paid ordinary shares	Listed Options	Unlisted options
1 – 1,000	266	1	-
1,001 – 5,000	186	-	-
5,001 – 10,000	102	-	-
10,001 – 100,000	707	78	-
100,001 and over	505	135	13
	<u>1,766</u>	<u>214</u>	<u>13</u>
Holding less than a marketable parcel	<u>502</u>	<u>9</u>	<u>-</u>

Substantial shareholders

Shareholder	Fully paid ordinary shares Number	Percentage of issued capital (%)
MR ANDREW JOHN HAYTHORPE	21,500,000	5.53%
	<u>21,500,000</u>	<u>5.53%</u>

ADDITIONAL SECURITIES EXCHANGE INFORMATION for the year ended 30 June 2015

Twenty (20) largest holders of quoted equity securities

Shareholder	Fully paid ordinary shares Number	Percentage of issued capital (%)
OURO PTY LTD	15,000,000	3.86%
SABRELINE PTY LTD <JPR INVESTMENT A/C>	11,000,000	2.83%
MR RICHARD STUART DONGRAY & MRS JOAN DONGRAY <SUPER FUND A/C>	10,999,667	2.83%
GEMELLI NOMINEES PTY LTD <GEMELLI FAMILY A/C>	10,000,000	2.57%
THE TWENTIETH CENTURY MOTOR COMPANY PTY LTD <TWENTIETH CENTURY MC SF A/C>	10,000,000	2.57%
MR JONATHAN MARK WILD & MRS JUSTYNA WILD <THE WILD FAMILY A/C>	10,000,000	2.57%
MR ANDREW JOHN HAYTHORPE & MRS RAGEN HAYTHORPE <AJH SUPERANNUATION FUND A/C>	6,500,000	1.67%
MR GREG FISHER	5,733,557	1.48%
MR PAUL STEWART DUNSHEA	5,576,569	1.44%
SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	5,200,000	1.34%
MR PAUL SIMON DONGRAY <THE DONGRAY FAMILY NO 2 A/C>	5,000,000	1.29%
COMSEC NOMINEES PTY LIMITED	4,772,986	1.23%
KEMBLA NO 20 PTY LTD <CAA A/C>	4,550,000	1.17%
MR CHRISTOPHER JAMES BARNETT	3,500,000	0.90%
MR PAUL WILLIAM GITMANS	3,390,000	0.87%
MR CRISTIAN VICTOR CARE	3,000,000	0.77%
MR JOHN WILLIAM LLOYD FORREST <FORREST FAMILY A/C>	3,000,000	0.77%
MR KENNETH RUSSELL GRYLLS	3,000,000	0.77%
MR MATTHEW THISTLEWAITE & MRS NATALIE THISTLEWAITE <THISTLEWAITE SUPER FUND A/C>	3,000,000	0.77%
MR TONY MILLARD	2,946,428	0.76%
	126,169,207	32.47%

Optionholder	Options Number	Percentage (%)
MR IAN WARDELL-JOHNSON & MRS PATRICIA WARDELL-JOHNSON	21,000,000	14.54%
MS SIMONE PHONHTHEPHA	5,529,000	3.83%
SQUADRON HOLDINGS PTY LTD	5,021,596	3.48%
MR GEORGE BATSAKIS	5,000,000	3.46%
MR DAMIAN M COLGAN	4,710,844	3.26%
MR MATTHEW ROMANIN	4,000,000	2.77%
MR WAYNE BAKER	3,337,153	2.31%
MR MARK WILLIAM PETERS <PETERS COLLINS FAMILY A/C>	3,125,000	2.16%
BURLINGAME NOMINEES PTY LTD <THE RIVIERE FAMILY A/C>	3,050,000	2.11%
MRS DOREEN GWENYTH LORRIGAN	3,000,000	2.08%
MR ADAM PEMBERTON	3,000,000	2.08%
MR MICHAEL TIMOTHY GREEN	2,900,000	2.01%
MR TREVOR ADRIANO GOSATTI & MR MICHAEL ROLAND GOSATTI <ADRIANO GOSATTI S/F A/C>	2,870,000	1.99%
MR DANIEL LUNARDI	2,800,000	1.94%
MR JACK ROBERT JOLLY	2,711,000	1.88%
QUAY CORPORATION PTY LTD <LOW FAMILY SUPER FUND A/C>	2,675,000	1.85%
MRS NORMA PEARL WALLIS	2,500,000	1.73%
MR MATTHEW HESKIN	2,500,000	1.73%
MR GARRY BENJAMIN RALSTON	2,137,295	1.48%
MR HUGO JAMES CUMING	2,000,000	1.38%
	83,866,888	58.06%

Company Secretary

Miss Loren Jones

Share Registry

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