

Vertua Limited

Appendix 4D

Half-year report

1. Company details

Name of entity:	Vertua Limited
ACN:	108 076 295
Reporting period:	For the half-year ended 30 September 2020
Previous period:	For the half-year ended 30 September 2019

2. Results for announcement to the market

Revenues from ordinary activities – continuing operations	down	33%	to	\$1,327,241
Profit from ordinary activities before tax attributable to the Owners of Vertua Limited	up	206%	to	\$667,667
Profit after tax for the half-year attributable to the Owners of Vertua Limited	up	1366%	to	\$352,694

Dividends

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

Comments

The profit for the Group after providing for income tax and non-controlling interest amounted to a profit of \$352,694 (30 September 2019: loss of \$27,856).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>10.45</u>	<u>9.14</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

There was no loss of control of any entities during the period.

6. Dividends

Current period

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

Previous period

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

Vertua Limited
Appendix 4D
Half-year report

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

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

Not applicable.

10. Audit qualification or review

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

The financial statements were subject to a review by the auditors and the unmodified review report, with an emphasis of matter paragraph, is attached as part of the Half Year Report.

11. Signed

Signed

A handwritten signature in black ink, appearing to be 'P. M.', written in a cursive style.

Date: 11 December 2020

Vertua Limited and Controlled Entities

ACN 108 076 295

Interim Financial Report

For the Half-Year Ended 30 September 2020

Vertua Limited and Controlled Entities

ACN 108 076 295

DIRECTORY

Directors

Christopher Bregenhoj, Chairman
Benjamin Doyle
James Manning, Managing Director

Company Secretary

Christos Kyriakides

Registered Office and Principal Place of Business

Level 5, 97 Pacific Highway
North Sydney NSW 2060

Website

<https://vertua.com.au/>

Share Registry

Linked Market Services
Level 21, 10 Eagle Street
Brisbane QLD 4000

Auditors

LNP Audit and Assurance Pty Ltd
Level 14, 309 Kent Street
Sydney NSW 2000

Stock Exchange listing

Vertua Limited shares are listed on the National Stock Exchange of Australia (NSX), code: VERA

Vertua Limited and its Controlled Entities

ACN 108 076 295

Table of Contents

30 September 2020

	Page
Directors' Report	1
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	3
Consolidated Statement of Profit and Loss and Other Comprehensive Income	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Changes in Equity	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8
Directors' Declaration	14
Independent auditor's review report	15
Additional Information for Listed Public Companies	17

Vertua Limited and its Controlled Entities

ACN 635 120 517

Directors' Report

30 September 2020

The Directors of Vertua Limited (Vertua, the Company) present the Financial Report of the Company and its controlled entities (Vertua Group, the Group) for the half-year period ended 30 September 2020.

The following Directors were in office during the half-year and until the date of this report.

- Christopher Bregenhoj, Non-Executive Chairman
- Benjamin Doyle, Executive Director
- James Manning, Managing Director

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

The Company Secretary during the period was Christos Kyriakides having replaced Michael Bregenhoj on 3 June 2020.

PRINCIPAL ACTIVITY

During the half-year the principal activity of the Group continued to be primarily an Investment Company, while the Group continues to operate in Property Development, Investment Management and the provision of Professional Services.

OPERATING AND FINANCIAL REVIEW

The profit for the half-year for the Group after providing for income tax amounted to \$352,694 (30 September 2019: loss from continuing operations of \$57,043).

The Group has maintained and developed the operations of its three divisions:

Investment:

The Group considers investments to be the primary focus of Vertua and is becoming a larger part of the day-to-day focus for the management team. During the period, our key investment results included:

- Cosmos Capital Limited, a leading Digital Infrastructure and Bitcoin Mining investment. The Group has recorded an unrealised fair value gain on the Cosmos investment of \$1,948,000 during the period.
- Vertua Opportunities Fund, a specialist tourism and hospitality fund, which Vertua is the investment manager for.

The Group continues to make additional investments and is more actively managing existing investments.

Property:

Mr. Benjamin Doyle continues to act as the Director of Fiducia Group, the Group's property division based in New South Wales. A summary of the projects during the period include:

- The Neutral Bay development (FPG No.5 Pty Ltd), project Harriet, is under construction with the excavation works nearly complete and a crane having been installed. The project is receiving strong interest from potential purchasers and to date, has sold 40% of its stock.
- The Greenwich project (FPG No.4 Pty Ltd) is under construction and progressing within the timeframes set out. There has been good interest from potential purchases and to date has sold 50% of its stock.
- The Homebush project (FPG Powel Pty Ltd) has now been sold and settlement occurred in July 2020.
- The Tuggerah project (FPG No.6 Pty Ltd) has exchanged on approximately 165,000 square meters of land on the NSW central coast.

Fiducia continues to attract project management and development management briefs. We continue to seek opportunities to expand into funds management and commercial development, as well as seeking to diversifying the income profile of the property division.

Professional Services:

The First Equity provides professional services in the areas of Taxation & Accounting, Assurance Services and Corporate Advisory. The Group has traded well during the year and in line with the Board's expectations. The Board expects First Equity to continue to provide a number of synergies within the greater Group in addition to providing the Group with exposure via its high-net-worth clients

Vertua Limited and its Controlled Entities

ACN 635 120 517

Directors' Report

30 September 2020

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF STRATEGIES AND BUSINESS OPERATIONS

The Property division is continuing to explore potential development sites with a view to expand its development pipeline. The Professional Services division continues to operate as planned. The Group intends to significantly expand its investment operations. The Board is currently exploring appropriate capital initiatives and funding sources to further this objective. It is expected that this could include a capital raise and or issue of shares on the acquisition of other investment assets.

Due to the current and ongoing situation in relation to COVID-19, the business and economic environment is uncertain, which is for example, evidenced by more volatile markets and uncertainty in asset values. While COVID-19 has impacted some of the Group's investments there are currently no impacts on the recognition and measurement of assets and liabilities in the Company's 30 September 2020 half-year financial statements.

MATTERS SUBSEQUENT TO THE END OF THE HALF-YEAR

No matter or circumstance has arisen since 30 September 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

DIVIDENDS PAID OR RECOMMENDED

The Directors have not recommended a dividend for the half-year ended 30 September 2020 at the date of this report.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the half-year ended 30 September 2020 has been received and a copy can be found at page 3.

This director's report, incorporating the remuneration report, is made in accordance with a resolution of the Board of Directors.



Christopher Bregenhoj, Chairman

North Sydney, NSW

Dated this 11th day of December 2020

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

As lead auditor of Vertua Limited for the year ended 30 September 2020, I declare that, to the best of my knowledge and belief, during the period ended 30 September 2020, there have been:

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

LNP Audit and Assurance Pty Ltd



Anthony Rose
Director

Sydney, 11 December 2020

Consolidated Statement of Profit and Loss and Other Comprehensive Income

For the Half-Year ended 30 September 2020

	Note	30 September 2020 \$	30 September 2019 \$
Revenue		1,337,241	2,002,818
Fair value gains on financial assets		1,750,015	376,751
Other income		463,319	193,113
Fair value adjustment on loans and receivables	2(a)	(650,650)	-
Employee benefits		(621,383)	(984,820)
Professional and management fees		(562,645)	(271,947)
Finance costs		(286,894)	(279,308)
Depreciation and amortisation		(238,545)	(184,606)
Impairment of goodwill	2(b)	(180,241)	-
Direct operating and administration costs		(161,538)	(413,328)
Other expenses		(181,012)	(220,179)
Profit before income tax		667,667	218,494
Income tax expense	4	(314,973)	(275,537)
Profit/(loss) from continuing operations		352,694	(57,043)
Profit from discontinued operations, net of tax		-	29,187
Profit/(loss) for the period		352,694	(27,856)
Other comprehensive income for the period		-	-
Total comprehensive income/(loss) for the period		352,694	(27,856)
<i>Total comprehensive income/(loss) for the period is attributable to members of the parent entity from:</i>			
Continuing operations		352,694	(57,043)
Discontinued operations		-	29,187
		352,694	(27,856)

		Cents	Cents
Earnings per share attributable to members of the parent entity			
<i>Continuing operations:</i>			
Basic earnings per share.	5	0.57	(0.02)
Diluted earnings per share	5	0.37	(0.02)
<i>Discontinued operations:</i>			
Basic earnings per share		-	0.01
Diluted earnings per share		-	0.01

The accompanying notes form part of these consolidated financial statements.

Vertua Limited and its Controlled Entities

ACN 108 076 295

Consolidated Statement of Financial Position

As at 30 September 2020

	Note	30 September 2020 \$	31 March 2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,334,237	436,966
Trade and other receivables		2,007,181	2,682,084
Financial assets		-	920,000
TOTAL CURRENT ASSETS		3,341,418	4,039,050
NON-CURRENT ASSETS			
Financial assets		5,284,907	3,011,124
Loans receivable		2,011,920	3,015,001
Property, plant and equipment		220,581	245,201
Right of use asset	6	139,767	209,655
Intangibles	7	1,559,513	1,946,006
Deferred tax assets		693,895	1,105,452
TOTAL NON-CURRENT ASSETS		9,910,583	9,532,439
TOTAL ASSETS		13,252,001	13,571,489
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		112,964	977,912
Lease liabilities	6	149,921	209,420
Employee provisions		111,456	108,048
TOTAL CURRENT LIABILITIES		374,341	1,295,380
NON-CURRENT LIABILITIES			
Lease liabilities	6	-	76,082
Other financial liabilities		4,713,693	4,388,754
TOTAL NON-CURRENT LIABILITIES		4,713,693	4,464,836
TOTAL LIABILITIES		5,088,034	5,760,216
NET ASSETS		8,163,967	7,811,273
EQUITY			
Issued capital	9	12,121,402	12,121,402
Convertible notes		720,000	720,000
Accumulated losses		(4,677,435)	(5,030,129)
Equity attributable to the owners of the parent entity		8,163,967	7,811,273
TOTAL EQUITY		8,163,967	7,811,273

The accompanying notes form part of these consolidated financial statements.

Vertua Limited and its Controlled Entities

ACN 108 076 295

Consolidated Statement of Changes in Equity

For the Half-Year Ended 30 September 2020

	Issued Capital	Convertible Notes	Accumulated Losses	Non-controlling Interests	Total
	\$	\$	\$	\$	\$
30 September 2020					
Balance at 1 April 2020	12,121,402	720,000	(5,030,129)	-	7,811,273
Profit for the period	-	-	352,694	-	352,694
Balance at 30 September 2020	12,121,402	720,000	(4,677,435)	-	8,163,967

30 September 2019

Balance at 1 April 2019	8,706,194	4,119,209	(3,182,807)	1,270,711	10,913,307
Adjustment for change in accounting policy	-	-	(48,427)	-	(48,427)
Balance at 1 April 2019 - restated	8,706,194	4,119,209	(3,231,234)	1,270,711	10,864,880
Loss for the period	-	-	(27,856)	-	(27,856)
Shares issued	20,000	-	-	-	20,000
Convertible notes converted into shares	3,399,208	(3,399,208)	-	-	-
Balance at 30 September 2019	12,125,402	720,000	(3,259,090)	1,270,711	10,857,024

The accompanying notes form part of these consolidated financial statements.

Vertua Limited and its Controlled Entities

ACN 108 076 295

Consolidated Statement of Cashflows

For the Half-Year Ended 30 September 2020

	30 September 2020	30 September 2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	2,037,996	4,147,436
Payments to suppliers & employees	(2,025,184)	(2,491,320)
Interest paid	(286,894)	105,516
Government subsidies received	121,500	-
Taxes paid	-	(57,552)
Net cash flows (used in)/from operations	(152,582)	1,704,080
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for equipment and software purchases	(27,788)	(30,488)
Payments made for property developments	(456,380)	(17,905)
Payments made for investments	-	(1,355,854)
Receipts from projects	1,520,000	849,053
Net cash flows provided by/(used in) investing activities	1,035,832	(555,194)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liability	(105,517)	(189,802)
Net proceeds from loans received from/(repaid to) related parties	328,500	(194,277)
Net repayment of loans to external parties	(209,000)	(737,955)
Net cash flows provided by/(used in) financing activities	13,983	(1,122,034)
Increase in cash and cash equivalents held	897,271	26,852
Cash and cash equivalents at beginning of the period	436,966	1,194,714
Cash and cash equivalents at the end of the period	1,334,237	1,221,566

The accompanying notes form part of these consolidated financial statements.

Vertua Limited and its Controlled Entities

ACN 108 076 295

Notes to the Consolidated Financial Statements

For the Half-Year Ended 30 September 2020

General Information

This condensed consolidated interim financial report for the reporting period ending 30 September 2020 has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such it does not contain information that represents relatively insignificant changes occurred during the half-year period within the Group. This condensed consolidated financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 March 2020, together with any public announcements made during the half-year period.

The financial statements were authorised for issue, in accordance with a resolution of the Directors, on 11 December 2020. The Directors have the power to amend and reissue the financial statements.

1. Summary of Significant Accounting Policies

These financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the Corporations Act 2001. These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The accounting policies adopted in the preparation of the financial report are consistent with those of the previous financial year and corresponding interim reporting.

2. Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates. The significant estimates and judgements made have been described below.

a) Fair value of loans and receivables

The Group recognises loss allowance for expected credit losses based on an assessment of credit risk. Such assessment involves judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions. Any changes in these accounting estimates will affect the carrying amounts of receivable. Assessment of the carrying value of trade receivables involves judgement due to the credit risk associated with each individual counterparty.

As of 30 September 2020, the Group is holding an amount of \$1,781,115 for a loan advanced to Defender No.2 Fund Pty Ltd ('Defender') and receivables of \$226,188 from American Patriot Oil and Gas Limited ('AOW'). The loan forms part of syndicated loan arrangement between Defender and AOW. Vertua's recourse is limited to Defender's ability to recover its loan from AOW. AOW is an Australian company with material oil and natural gas exploration and development assets, located largely in Texas, USA. Following a lengthy suspension on the Australian Stock Exchange, AOW was delisted in May 2020. The last available public records of AOW are the financial statements for the 6-month period review to 31 December 2018 issued in January 2020. The review report included a paragraph detailing a material uncertainty relating to going concern. The company has since obtained unaudited management accounts as at June 2020 that show that AOW has total assets in excess of its total liabilities and an independent assessment of the Proved Developed Producing Reserves that AOW has as at 30 June 2020 showing reserves to be extracted in the future with a positive net present value. Bearing these matters in mind Management has recognised an estimate for impairment of \$650,650 on the Defender loan to account for the uncertainty of the timing when the amounts are expected to be received.

b) Assessment of impairment of goodwill

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

As at 30 September 2020, the Group held goodwill of \$838,816. The determination of whether or not goodwill, intangible assets are impaired involves complex and subjective judgments by the Group about the future results of relevant parts of the business. As a result of management's assessment, an impairment to goodwill of \$180,241 has been recognised in the consolidated statement of profit or loss for the half year.

Vertua Limited and its Controlled Entities

ACN 108 076 295

Notes to the Consolidated Financial Statements

For the Half-Year Ended 30 September 2020

2. Critical Accounting Estimates and Judgments (continued)

c) Assessment of valuation of financial assets

There generally is not an active market for property developments while they are under construction, so fair value is measured using discounted cash flows (DCF) or residual valuations. DCF valuations for properties under construction also consider the costs and risks of completing construction and selling the property. The residual valuation estimates the value of the completed project, less the remaining development costs which include construction, finance costs and an allowance for developer's risk and profit. This valuation is then discounted back to the present value. The most recent valuation assessment was in October 2020.

d) Recoverability of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and tax losses. The Group relies upon the Modified Continuity of Ownership (COT) and the Similar Business Test (SBT) provisions for its ability to utilise the losses of Vertua Limited and its subsidiaries. Should the Group breach the Modified COT or SBT provisions then it is unlikely that the Group would be able to access the losses, and this would result in a significant impairment of the deferred tax asset.

3. Operating segments

Identification of reportable operating segments

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

The CODM reviews the results of operating segments based on earnings before tax. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. Discrete financial information on each segment is reported to the CODM is on a monthly basis.

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

All the Group's segments operate within Australia.

30 September 2020	Property	Professional services	Investments	Corporate	Total
	\$	\$	\$	\$	\$
Revenue and other income	328,094	1,207,910	1,115,504	899,067	3,550,575
Expenses					
Employee benefits	(262,768)	(268,731)	-	(89,884)	(621,383)
Depreciation and amortisation	(183,004)	(55,411)	2,875	(3,005)	(238,545)
Other operating expenses	35,737	(641,595)	(21,280)	(96,955)	(724,093)
Impairment loss/fair value adjustments	(180,241)	-	-	(831,662)	(1,011,903)
Finance costs	(128,344)	(814)	(115)	(157,711)	(286,984)
Segment profit/(loss) before income tax	(390,526)	241,359	1,096,984	(280,150)	667,667
Income tax (expense)/benefit	-	-	-	(314,973)	(314,973)
Segment profit/(loss) for the period	(390,526)	241,359	1,096,984	(595,123)	352,694
Segment assets	4,986,700	1,427,870	6,123,654	713,777	13,252,001
Segment liabilities	(4,031,268)	(537,028)	(25,960)	(493,778)	(5,088,034)
Net assets	955,432	890,842	6,097,694	(219,999)	8,163,967

Vertua Limited and its Controlled Entities

ACN 108 076 295

Notes to the Consolidated Financial Statements

For the Half-Year Ended 30 September 2020

3. Operating segments (continued)

30 September 2019	Property	Professional services		Investments	Corporate	Total
	\$			\$	\$	\$
		Continuing	Discontinued			
Revenue and other income	541,998	1,146,296	845,074	559,597	324,790	3,417,755
Expenses						
Employee benefits	(319,365)	(510,419)	(482,410)	-	(116,036)	(1,428,230)
Depreciation and amortisation	(3,505)	-	(165,097)	-	(220,101)	(388,703)
Other operating expenses	(154,826)	(500,918)	(138,681)	-	(249,710)	(1,044,135)
Finance costs	(109,494)	(2,403)	(23,355)	-	(120,701)	(255,953)
Segment profit(loss) before income tax	(45,192)	132,556	35,531	559,597	(381,758)	300,734
Income tax (expense)/benefit	(9)	-	(6,343)	-	(322,238)	(328,590)
Segment profit/(loss) for the period	(45,201)	132,556	29,188	559,597	(703,996)	(27,856)
Segment assets	5,261,697	5,690,040		6,175,210	421,826	17,548,773
Segment liabilities	(2,615,120)	(1,318,091)		(361,130)	(2,397,408)	(6,691,749)
Net assets	2,646,577	4,371,949		5,814,080	(1,975,582)	10,857,024

	30 September 2020	30 September 2019
	\$	\$

4. Income tax expense/(income)

The major components of tax expense (income) comprise:

Current tax	(96,548)	449,821
Deferred tax	411,521	(174,284)
Aggregate income tax expense	314,973	275,537

Reconciliation of income tax expense/(income) and tax at the statutory rate:

Profit before income tax income	667,667	218,494
Tax at the statutory tax rate of 26% (2019: 27.5%)	173,593	60,086
Tax effect amounts which are not deductible/(taxable) in calculating taxable income		
Non-deductible expenses	97,036	96,168
Non-assessable income	(30,000)	-
Impact of future change in corporate tax rate on carrying value of tax losses	(13,014)	(43,792)
Other adjustments	260,951	223,161
Income tax expense	314,973	275,537

Vertua Limited and its Controlled Entities

ACN 108 076 295

Notes to the Consolidated Financial Statements

For the Half-Year Ended 30 September 2020

5. Earnings per share

	30 September 2020	30 September 2019
	\$	\$
Continuing operations - Profit/(loss) after income tax	352,694	(57,043)
Discontinued operations - Profit after income tax	-	29,187
	352,694	(27,856)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	61,887,822	61,887,822
Adjustments for calculation of diluted earnings per share:		
Potential conversion of convertible notes	3,600,000	3,600,000
Options over ordinary shares	28,892,003	28,892,003
Weighted average number of ordinary shares used in calculating diluted earnings per share	94,379,825	94,379,825

Earnings per share for loss from continuing operations attributable to the owners of Vertua Limited

	Cents	Cents
<i>Continuing operations:</i>		
Basic earnings per share	0.57	(0.05)
Diluted earnings per share	0.37	(0.03)

6. Leases

The Company holds a lease over office space in North Sydney and has determined the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The right of use asset relates to the lease of the head office by Vertua Limited. This lease is on a 3-year term having commenced on 30 September 2018 and expiring on 30 September 2021 (with an option to renew). The future monthly lease payments are \$12,700 discounted at an incremental borrowing rate of 6% per annum. The lease is able to be terminated for no penalty with a 6-month notice period.

	30 September 2020	31 March 2020
	\$	\$
Right of use asset		
At cost	419,319	419,319
Accumulated amortisation	(279,552)	(209,664)
Balance at the end of the period	139,767	209,655
Lease liabilities		
Future lease payments	154,838	231,038
Discounted at incremental borrowing rate	(4,917)	(10,653)
Balance at the end of the period	149,921	220,385
<i>Represented by:</i>		
CURRENT	149,921	144,303
NON-CURRENT	-	76,082
	149,921	220,385

Vertua Limited and its Controlled Entities

ACN 108 076 295

Notes to the Consolidated Financial Statements

For the Half-Year Ended 30 September 2020

7. Intangibles

Goodwill is assessed annually for impairment for each segment. An impairment of \$180,241 has been recognised on goodwill in the period in relation to the property business segment. The goodwill on the property business segment has been assessed against the future cashflows of that segment over the next 24 months which represents the lifetime of current projects. The current workflow of the property segment is expected to realise a return to the Group. Management maintain individual cash flow forecasts for multiple ongoing projects. Income generated from projects are in the form of project management fees, interest on returns on invested capital and shares of project profits. Cash flows are expected to be lumpy, reflective of the nature of property developments, however, the Group has a history of successful projects. The Group continues to look for new projects to add to the development pipeline. .

8. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes places either: - in the principal market for the asset or liability; or - in the absence of a principal market, in the most advantageous market for the asset or liability.

As at 30 September 2020, the carrying amounts of such receivables, net of expected credit losses, were not materially different from their calculated fair values.

The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Fair values of the Group's borrowings are determined by discounted cash flow modelling using a discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 September 2020				
Financial assets	-	3,500,000	1,784,907	5,284,907
Financial liabilities	-	-	(4,118,810)	(4,118,810)
Net	-	3,500,000	(2,333,903)	1,166,097
31 March 2020				
Financial assets	-	1,775,118	2,322,005	4,097,123
Financial liabilities	-	-	(3,842,239)	(3,842,239)
Net	-	1,775,118	(1,520,234)	254,884

9. Issued Capital

	30 September 2020 Shares	31 March 2020 Shares	30 September 2020 \$	31 March 2020 \$
Class A shares - fully paid	61,887,822	61,887,822	12,121,402	12,121,402

During the period there were no changes to issued share capital.

10. Commitments and Contingencies

As at 30 September 2020 the Group did not have any commitments or contingencies (31 March 2020: None).

Vertua Limited and its Controlled Entities

ACN 108 076 295

Notes to the Consolidated Financial Statements

For the Half-Year Ended 30 September 2020

11. Related parties

The Group's related parties are key management personnel including close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties:

	30 September 2020	31 March 2020
	\$	\$
a) Payable to or receivable from related parties at the end of the period		
Loan receivable from Defender No. 2 Fund Pty Ltd	1,781,115	2,289,796
Loans payable to related party entities	(450,000)	(450,000)
Directors' loans (Manning Capital Holdings)	(4,083,156)	(3,842,239)
	30 September 2020	30 September 2019
	\$	\$
b) Transactions occurring during the half-year:		
Management and other fees paid	104,325	78,838
Interest on loans	240,916	179,276

12. Events after balance sheet date

The financial report was authorised for issue on 11 December 2020 by the Board of Directors.

No other matter or circumstance has arisen since 30 September 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Vertua Limited and its Controlled Entities

ACN 108 076 295

Directors' Declaration

For the Half-Year Ended 30 September 2020

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 13 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - (b) give a true and fair view of the consolidated Group's financial position as at 30 September 2020 and of its performance for the half-year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors:



James Manning
Managing Director

11 December 2020

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

Conclusion

We have reviewed the consolidated condensed half-year financial report of Vertua Limited (Vertua, the Company) and Controlled Entities, (the Group), which comprises the consolidated condensed statement of financial position as at 30 September 2020, the consolidated condensed statement of profit or loss and other comprehensive income, the consolidated condensed statement of changes in equity and the consolidated condensed statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the Directors' Declaration of the Group.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Group does not comply with the *Corporation Act 2001* including:

- Giving a true and fair view of the Group's financial position as at 30 September 2020 and of its financial performance for the half-year ended on that date; and
- complying with Australian Accounting Standards 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Review Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our review of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of Matter – significant judgement in relation to carrying value of receivables from Defender No.2 Fund Pty Ltd (Defender), part of a syndicated loan arrangement between Defender and American Patriot Oil and Gas Limited (AOW)

We draw attention to Note 2(a) of the half-year financial report, which details the significant judgements made in relation to the carrying values receivables from Defender, part of a syndicated loan arrangement between Defender and AOW. Our review conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

LNP Audit and Assurance Pty Ltd

A handwritten signature in blue ink, appearing to read 'ARose', is positioned above the printed name and title of the director.

Anthony Rose
Director

Sydney, 11 December 2020

Vertua Group Limited and its Controlled Entities

ACN 108 076 295

Additional Information for Listed Public Companies

30 September 2020

NSX Additional Information

Additional information required by the NSX Listing Rules and not disclosed elsewhere in this report is set out below.

Substantial shareholders

Vertua Limited has on issue 61,887,822 full paid Class A shares held by 315 holders as at 30 September 2020. The number of shares held either directly or indirectly by substantial shareholders listed in the holding company's register on 22 November 2020 was:

Shareholders	Number held	% of shares issued
Manning Capital Holdings Pty Ltd	21,115,215	34.12%
Holicarl Pty Ltd	18,409,358	29.75%
Lily Bordeaux Pty Ltd	6,653,150	10.75%
A C N 623 179 680 Pty Ltd	1,350,000	2.18%
	47,527,723	76.80%

Voting rights - Ordinary Shares

All Class A shares of the Company carry one vote per share. On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote. On a poll, every member who is present in person or by proxy or attorney, or being a corporation, by its authorised representative, shall have one vote for every share of which he is the holder. There no other classes of equity securities.

Distribution of holders of quoted ordinary share

Size of holding (Range)	Holders	Units	Percentage
1,001 - 5,000	3	15,000	0.95
5,001 - 10,000	179	3,734,061	56.83
10,001 - 100,000	16	57,154,886	5.09
50,001 – 100,000	117	983,875	37.14
	315	61,887,822	100

Twenty Largest Shareholders

	Ordinary shares	
	Number held	% of Issued shares
MANNING CAPITAL HOLDINGS PTY LTD	18,490,569	29.88%
HOLICARL PTY LTD	17,059,358	27.56%
LILY BORDEAUX PTY LTD	6,653,150	10.75%
WEALTH HOLDING TRUSTEES LIMITED	2,774,850	4.48%
WOODVILLE SUPER PTY LIMITED	2,624,646	4.24%
WOLTER MR PTY LTD	2,552,050	4.12%
ESPLANADE SUPER FUND PTY LTD	1,577,273	2.55%
A C N 623 179 680 PTY LTD	1,350,000	2.18%
HOLICARL PTY LTD	1,350,000	2.18%
FRANCIS PACE & DIANNA PACE	1,300,000	2.10%
CALVERT INVESTMENTS PTY LTD	601,681	0.97%
MR STUART PAGE	332,273	0.54%
KIZUN PTY LTD	125,400	0.20%
BENJAMIN JOHN DOYLE & MARIE CHRISTINA ASHLEY	125,000	0.20%
MR IAN CRAWFORD MAXWELL & MRS PHILIPPA JANE MAXWELL	125,000	0.20%
WEXFORD SUPER PTY LTD	113,636	0.18%
MR WILLIAM LYON	100,000	0.16%
PETER SCHAAP & PAULINE SCHAAP	90,000	0.15%
HANK CORPORATION PTY LTD	80,000	0.13%
MS JOANNE MAREE BAULCH	80,000	0.13%
Total top twenty shareholders	57,504,886	92.90
Total Shares on issue	61,887,822	100.00

Vertua Group Limited and its Controlled Entities

ACN 108 076 295

Additional Information for Listed Public Companies

30 September 2020

Options on issue

Option Holder	Closing FY2020 No	Transferred No	Granted/ Issued No	Exercised No	Closing HY2021 No
Manning Capital Holdings Pty Ltd	13,161,019	-	15,730,984	-	28,892,003
Total Number	13,161,019	-	15,730,984		28,892,003

Convertible notes on issue

Convertible Note Holder	Closing FY2020	Granted/ (Converted)	Closing HY2021
Holicarl Pty Ltd	11,468,458	(11,468,458)	-
Lily Bordeaux Pty Ltd	3,582,699	(3,582,699)	-
Manning Capital Holdings Pty Ltd	11,958,686	(11,958,686)	-
Calvert Investments Pty Ltd	3,600,000	-	3,600,000
Total Number	30,609,843	(27,009,843)	3,600,000