VERTUA LTD

Level 5, 97 Pacific Highway
PO BOX 630
North Sydney, NSW 2060
P | +61 2 8624 6195
E | accounts@vertua.com.au

25 June 2020

By E-lodgement

National Stock Exchange
Level 2 117 Scott Street
Newcastle NSW 2300

RE: Vertua Limited – Full year preliminary results

Vertua Limited is please to release to the market its preliminary results for the year ended 31 March 2020.

We are in the final states of Audit and expect to release the results to the market within the next 14 days.

James Manning
Managing Director

1. Company details

Name of entity:	Vertua Limited
ACN:	108 076 295
Reporting period:	For the year ended 31 March 2020
Previous period:	For the year ended 31 March 2019

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	17.8%	to	3,277,309
Loss from ordinary activities after tax attributable to the Owners of Vertua Limited	up	109.5%	to	(970,621)
Loss for the year attributable to the Owners of Vertua Limited	Up	109.5%	to	(970,621)

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

Comments
The loss for the Group after providing for income tax and non-controlling interest amounted to $1,371,267 (31 March 2019: loss of $167,991).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	10.17	25.00

4. Control gained over entities

Not applicable.

5. Loss of control over entities

During the period, Vertua Limited sold its 50% interest in the Locumsgroup business.

6. Dividends

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

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

---

9. Foreign entities

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

Not applicable.

---

10. Audit qualification or review

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

The financial statements are currently being audited.

---

11. Signed

Signed ____________________________ Date: 25 June 2020

Vertua Limited

ACN 108 076 295

Annual Report - 31 March 2020

[This page has intentionally been left blank for the insertion of the auditor's independence declaration]

Vertua Limited
Contents
31 March 2019

Vertua Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2020

	Note	Consolidated 2020 $	2019 $
Revenue			
Revenue	5	3,277,309	2,693,938
Other income	6	(152,478)	2,298,462
		3,053,887	4,992,400
Cost of sales		(237,859)	(445,603)
Gross profit		2,886,972	4,546,797
Expenses			
Management fees		(208,931)	(194,056)
Director fees		(78,000)	(78,000)
Professional fees		(347,964)	(522,911)
Property costs		(24,065)	(119,944)
Advertising and promotion		(21,331)	(5,053)
Other expenses from ordinary activities		(861,422)	(247,411)
Depreciation and amortisation expense	7	(470,952)	(330,352)
Salaries and wages		(1,822,189)	(1,444,730)
Fair value gain (loss) on investments		(715,378)	-
Operating profit / (loss)		(1,663,260)	1,604,340
Finance cost		(473,672)	(753,246)
Loss before income tax (expense)/benefit from continuing operations		(2,136,932)	851,094
Income tax (expense)/benefit	8	812,102	(563,732)
Loss after income tax (expense)/benefit from continuing operations		(1,324,830)	287,362
Profit (loss) after income tax expense from discontinued operations	9	(46,437)	(455,353)
Loss after income tax (expense)/benefit for the year		(1,371,267)	(167,991)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(1,371,267)	(167,991)
Loss for the year is attributable to:			
Non-controlling interest of Locumsgroup		(400,646)	(260,000)
Owners of Vertua Limited		(970,621)	92,009
		(1,371,267)	(167,991)
Total comprehensive income for the year is attributable to:			
Continuing operations		-	(260,000)
Discontinued operations		(400,646)	-
Non-controlling interest		(400,646)	(260,000)
Continuing operations		(924,184)	547,362
Discontinued operations		(46,437)	(455,353)
Owners of Vertua Limited		(970,621)	92,009
		(1,371,267)	(167,991)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Vertua Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2020

		Cents	Cents
Earnings per share for loss from continuing operations			
Basic earnings per share	44	(2.14)	(2.76)
Diluted earnings per share	44	(1.40)	(1.02)
Earnings per share for loss from discontinued operations			
Basic earnings per share	44	(0.08)	(1.03)
Diluted earnings per share	44	(0.05)	(0.38)
Earnings per share for loss			
Basic earnings per share	44	(2.22)	(3.79)
Diluted earnings per share	44	(1.45)	(1.40)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Vertua Limited
Statement of financial position
As at 31 March 2020

		Consolidated	
		2020	**2019**
		$	**$**
Assets			
Current assets			
Cash and cash equivalents	10	441,197	1,194,713
Trade and other receivables	11	2,682,085	3,143,678
Financial assets	12	920,000	520,000
Net present value of trail commission income	13	-	425,520
Total current assets		4,043,282	5,283,911
Non-current assets			
Receivables	14	3,015,001	1,635,923
Financial assets	15	3,177,123	4,369,500
Property, plant and equipment	16	245,201	375,331
Right of Use asset	17	209,655	-
Intangibles	18	1,946,006	3,383,740
Deferred tax	19	1,572,948	652,631
Net present value of trail commission income	20	-	807,488
Total non-current assets		10,165,934	11,224,613
Total assets		14,209,216	16,508,524
Liabilities			
Current liabilities			
Trade and other payables	21	1,249,127	913,009
Other current liabilities	22	144,303	500,882
Provisions	23	108,048	203,688
Total current liabilities		1,501,478	1,617,579
Non-current liabilities			
Payables	24	96,515	92,667
Financial liabilities measured at amortised cost	25	4,368,321	3,884,972
Total non-current liabilities		4,464,836	3,977,639
Total liabilities		5,966,314	5,595,218
Net assets		8,242,902	10,913,306
Equity			
Issued capital	26	12,125,402	8,706,194
Convertible notes	27	720,000	4,119,209
Accumulated losses		(4,602,500)	(3,182,808)
Equity attributable to the owners of Vertua Limited		8,242,902	9,642,595
Non-controlling interest	28	-	1,270,711
Total equity		8,242,902	10,913,306

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

Vertua Limited
Statement of changes in equity
For the year ended 31 March 2020

Consolidated	Issued capital $	Convertible notes $	Revaluation reserve $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 April 2018	4,917,116	3,265,420	1,078,551	(4,056,766)	1,530,711	6,735,032
Profit/(loss) after income tax expense for the year	-	-	-	92,009	(260,000)	(167,991)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	92,009	(260,000)	(167,991)
Shares issued	1,892,000	-	-	-	-	1,892,000
Shares bought back	(12,403)	-	-	-	-	(12,403)
Convertible notes converted into shares	1,909,481	(1,815,213)	-	-	-	94,268
Convertible notes reclassified from debt	-	1,949,002	-	-	-	1,949,002
Convertible notes issued	-	720,000	-	-	-	720,000
Tax effect of revaluation reserve opening balance on sale of owner-occupied property	-	-	(296,602)	-	-	(296,602)
Transfer of revaluation increment to retained earnings on sale of owner-occupied property	-	-	(781,949)	781,949	-	-
Balance at 31 March 2019	8,706,194	4,119,209	-	(3,182,808)	1,270,711	10,913,306

Consolidated	Issued capital $	Convertible notes $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 April 2019	8,706,194	4,119,209	(3,182,808)	1,270,711	10,913,307
Adjustment for change in accounting policy (see Note 2)	-	-	(48,425)	-	(48,425)
Balance at 1 April 2019 - restated	8,706,194	4,119,209	(3,231,235)	1,270,711	10,864,880
Shares issued	20,000	-	-	-	20,000
Convertible notes converted into shares	3,399,208	(3,399,208)	-	-	-
Profit (loss) after income tax benefit for the year	-	-	(970,621)	(400,646)	(1,371,267)
Non-controlling interest movement in the year			(400,646)	(870,065)	(1,270,211)
Balance at 31 March 2020	12,125,402	720,000	(4,602,500)	-	8,242,902

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

Vertua Limited
Statement of cash flows
For the year ended 31 March 2019

	Consolidated	
	2020	**2019**
	$	**$**
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	5,742,765	8,870,589
Receipts from investments	116,307	-
Payments to suppliers and employees (inclusive of GST)	(4,611,659)	(8,521,311)
Interest and other finance costs paid	(27,249)	(176,496)
Interest received	294,506	141,303
Income taxes paid	(62,389)	-
Net cash from operating activities	1,452,281	314,085
Cash flows from investing activities		
Investment into financial assets	(1,514,548)	(3,433,802)
Proceeds from projects undertaken	525,000	-
Proceeds from disposal of assets held for sale	-	4,900,000
Proceeds (Payments) from disposal of discontinuing operations, net of cash	(216,295)	1,291,677
Payments for property, plant and equipment	(46,435)	(106,013)
Payments for intangibles	(159,400)	(182,634)
Net cash from investing activities	(1,411,677)	2,469,228
Cash flows from financing activities		
Amounts paid for hire purchase lease liabilities	(46,633)	(54,407)
Payment of lease liability	(151,569)	-
Net proceeds from issue of shares and conversion of share options	-	1,069,597
Net loans (repaid to)/received from related parties	(37,282)	(2,880,064)
Loans obtained from/(extended) to non-controlling interest group	-	99,230
Loans advanced from investors into financial assets	-	450,000
Net loans (provided to)/received from by external parties	(558,636)	(1,350,000)
Net cash used in financing activities	(794,121)	(2,665,644)
Net decrease in cash and cash equivalents	(753,517)	117,669
Cash and cash equivalents at the beginning of the financial year	1,194,714	1,077,044
Cash and cash equivalents at the end of the financial year	441,197	1,194,713

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Vertua Limited as a Group consisting of Vertua Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Vertua Limited's functional and presentation currency.

Vertua Limited (the 'Company') is a listed public company limited by shares, incorporated and domiciled in Australia. The Company is listed in the National Stock Exchange of Australia with the code VERA. Its registered office and principal place of business is:

Level 5, 97 Pacific Highway
North Sydney NSW Australia 2060

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 14 June 2019. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change in use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change in use.

AASB 16 Leases

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Note 2. Significant accounting policies (continued)

AASB 16 Leases
The consolidated entity has adopted AASB 16 from 1 April 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption
AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 April 2019 was as follows:

	1 April 2019 $
Finance lease commitments as at 1 April 2019 (AASB 116)	836,066
Operating lease commitments discount based on the weighted average incremental borrowing rate of 6% (AASB 16)	(210,304)
Accumulated depreciation as at 1 April 2019 (AASB 16)	247,555
Right-of-use assets (AASB 16)	873,317
Lease liabilities - current (AASB 16)	(249,232)
Lease liabilities - non-current (AASB 16)	(586,834)
Tax effect on the above adjustments	11,176
Reduction in opening retained profits as at 1 April 2019	**48,427**

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 2. Significant accounting policies (continued)

Basis of preparation

These consolidated general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB'). Vertua Limited is a for-profit entity for the purpose of preparing the financial statements.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets, financial assets at fair value through profit or loss, investment properties and certain classes of property, plant and equipment.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 36.

Investment entity

Vertua Limited (the 'Company') has determined that it is an investment entity under the definition in AASB 10 Consolidated Financial Statements as it meets the following criteria:

- The Company has obtained funds from shareholders for the purpose of providing them with investment management services;
- The Company’s business purpose is investing solely for returns from capital appreciation and investment income; and
- The performance of investments made by the Company are measured and evaluated on a fair value basis.

As the Company is an investment entity, entities that the Company controls are accounted for at fair value through profit or loss and shown as financial assets in the statement of financial position ('managed investments'). Managed investments are disclosed in Note 38.

Certain controlled entities provide services that relate to the core business of the Group and are consolidated in accordance with the principles of consolidation accounting presented policy below ('core entities'). Core entities are disclosed in Note 41.

Principles of consolidation (applied to Core entities only)

The consolidated financial statements incorporate the assets and liabilities of all controlled entities the Company as at 31 March 2020 and the results of all controlled entities for the year then ended.

Controlled entities are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Entities are fully consolidated from the date on which control is transferred to the Group on the basis that they form part of the Core business of the Group only. They are de-consolidated from the date that control ceases. Entities that are controlled but do not form part of the Core business activities of the Group are treated as investments and are recognised on the balance sheet at fair value through profit and loss.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of controlled entities are accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent entity.

Note 2. Significant accounting policies (continued)

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

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.

Revenue recognition

Revenue from contracts with customers

For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Property

Revenue from the Property division is predominantly made up of project management fees and profit shares from projects.

Project management fees are documented in the management agreement between the property division and the client. Project management fees are invoiced upon the achievement of specific milestones at the fixed fee price outlined in the management agreement.

Profit shares from projects are based on a predetermined percentage split of net profit generated from a project between the Property segment and the equity investors of the project, as outlined in the profit share agreement. Profit share revenue is recorded only when the stock from development assets have exchanged and the revenue entitlement is both measurable and payable.

Note 2. Significant accounting policies (continued)

Professional services
Professional service revenue is split between time-based billing, fixed fee engagements and commissions receivable.

Fixed fee engagements for the delivery of a predetermined task are documented in the engagement letter with the client, with a clearly identifiable scope of work, timeframe and fixed fee price. The Professional Services division only recognise revenue when the work has been completed in accordance with the scope of the executed engagement letter.

Time-based billing revenue is based on an hourly rate for services conducted. WIP time is not recorded on the Group's accounts. Time-based billing revenue is only recorded when key milestones have been met. Time-based billing rates are highlighted in the engagement letter to clients and the billing cycle is pre-agreed via the engagement agreement. Time-based billing revenue is recorded predominantly when the engaged task has been finalised.

Commissions receivable are subcategorised as up-front commissions and trailing commissions. Revenue recognition of commission income is recorded only when the entitlement to the commission is certain, being when loan documentation is executed, and funds are drawn down to the client. Upfront commission is recorded upon settlement of the loan. Trailing commission is recorded in arrears on a cash basis. Biannually, the Group reviews the new loans engaged in the financial year and a present value adjustment is recognised.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Note 2. Significant accounting policies (continued)

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Financial instruments
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Note 2. Significant accounting policies (continued)

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Property, plant and equipment
Property is stated at fair value less accumulated depreciation and impairment. Any fair value gains are recognised to the revaluation reserve until realised or impaired.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Fixtures and fittings	3-10 years
Plant and equipment	3-7 years
Computer equipment	2-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Discontinued operations
A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Note 2. Significant accounting policies (continued)

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Customer relationships
Customer relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 8-10 years.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Contractual rights
Contractual rights acquired in a business combination are amortised on a straight-line basis over the period of their initial expected benefit, being their finite life of 15 -31 months.

Note 2. Significant accounting policies (continued)

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Financial liabilities
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

The Group's policy is to ensure that the majority of its borrowings for real estate investment should mature beyond projected disposal dates at all times.

Borrowing costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other borrowing costs are expended in the period in which they are incurred. Borrowing costs are reported as finance costs in the statement of profit or loss and other comprehensive income.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Post employment benefits plans
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Provisions, contingent liabilities and contingent assets
Provisions, contingent liabilities and contingent assets are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision, contingent liability or contingent asset is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions, contingent liabilities and contingent assets are discounted using a current pre-tax rate specific to the liability. The increase in the provision, contingent liability or contingent asset resulting from the passage of time is recognised as a finance cost.

Note 2. Significant accounting policies (continued)

Fair value measurement
Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
The Group does not have authorised capital or par value in respect of its issued shares.

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.

Class A shares are classified as equity.

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

Convertible notes
The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes, in accordance with accounting practice, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not re-measured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

In the financial statements, the fair value of convertible notes comprises the fair value of the liability and the equity residual value. The Group has recorded convertible notes at the amount of money advanced. This is because, given the nature and size of the Group, the face value of the unsecured debt under the convertible note is the most reliable estimate of the fair value of the unsecured debt (i.e. there exists no market for debt of this nature to facilitate a fair value estimate).

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the Owners of Vertua Limited, excluding any costs of servicing equity other than Class A shares, by the weighted average number of Class A shares outstanding during the financial year, adjusted for bonus elements in Class A shares issued during the financial year.

Note 2. Significant accounting policies (continued)

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential Class A shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential Class A shares.

Goods and Services Tax ('GST') and other similar taxes
Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Fair value measurement hierarchy
The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets
The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. 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.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax
The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery 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 losses.

The Group relies upon the Modified Continuity of Ownership (‘COT’) and the Same 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 large impairment of the deferred tax asset.

Business combinations
As discussed in Note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 4. 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.

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

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

Note 4. Operating segments (continued)

Types of products and services
The principal products and services of each of these operating segments are as follows:

Printing (discontinued operations)	Relates to the value-added print management services provided by Horizon Print Management
Property	Relates to the identification, acquisition, development and sale of development sites by Fiducia Group.
Professional services	Relates to: - the accounting, financial planning, mortgage brokerage, real estate advisory and other services provided by Locumsgroup (discontinued operations); - the accounting and finance advice provided by Vertua; and - The tax, accounting audit and business services provided by First Equity
Investments	Relates to: - the AFSL of Defender Asset Management; - the Group's interests in assets held as managed investments; and - principal investments made by the Group.
Corporate	Relates to the Group's corporate assets.

All the Group's segments operate in Australia.

Note 4. Operating segments (continued)

Operating segment information

Consolidated - 2020	Locumsgroup (discontinued operations) $	Property $	Professional services $	Investments $	Corporate $	Total $
Revenue						
Revenue	1,434,154	608,282	2,289,052	329,153	50,822	4,711,463
Other	23,670	102,529	110,474	278,953	(644,434)	(128,808)
Total revenue	1,457,824	710,811	2,399,526	608,106	(593,612)	4,582,655
Cost of sales	(63,969)	(114,319)	(123,540)	-	-	(301,828)
Salaries and wages	(885,861)	(584,281)	(992,586)	-	(245,322)	(2,708,050)
Management fees	-	-	(27,375)	(30,000)	(151,556)	(208,931)
Director fees	-	-	-	-	(78,000)	(78,000)
Finance costs	(29,521)	(449,699)	(3,545)	-	(20,428)	(503,193)
Professional fees	-	(28,375)	(118,264)	(23,151)	(178,174)	(347,964)
Property costs	(115,163)	(24,065)	-	-	-	(139,228)
Advertising and promotion	-	(21,331)	-	-	-	(21,331)
Other expenses	(152,727)	(111,407)	(332,405)	(3,469)	(414,141)	(1,014,149)
Depreciation and amortisation expense	(250,677)	(9,626)	(112,168)	-	(349,158)	(721,629)
Fair value gain (loss) on investments	-	-	-	(715,378)	-	(715,378)
Profit/(Loss) before income tax benefit	(40,094)	(632,292)	689,643	(163,892)	(2,030,391)	(2,177,026)
Income tax (expense) benefit	(6,343)	-	(1,378)	-	813,480	805,759
Loss after income tax benefit						(1,371,267)
Other comprehensive income						-
Total comprehensive income						(1,371,267)
Assets						
Segment assets	-	5,408,033	1,028,920	5,223,868	2,548,395	14,209,216
Total assets						14,209,216
Liabilities						
Segment liabilities	-	2,707,570	422,240	361,347	2,475,157	5,966,314
Total liabilities						5,966,314

Note 4. Operating segments (continued)

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

Consolidated - 2019	Printing services (discontinued operations) $	Property $	Locumsgroup (discontinued operation)	Professional services $	Investments $	Corporate $	Total $
Revenue							
Revenue	2,781,865	2,685,995	2,427,740	716,797	38,000	6,609	8,657,006
Other	-	459,848	39,285	500,637	(148,925)	733,439	1,584,284
Total revenue	2,781,865	3,145,843	2,467,025	1,217,434	(110,925)	740,048	10,241,290
Cost of sales	(2,225,212)	(411,613)	(74,929)	(22,327)	(11,663)	-	(2,745,744)
Salaries and wages	(306,013)	(631,337)	(1,117,596)	(501,781)	-	(311,612)	(2,868,339)
Management fees	(20,000)	-	-	(55,000)	(20,000)	(174,056)	(269,056)
Director fees	-	-	-	-	-	(78,000)	(78,000)
Finance costs	(809)	(598,118)	(22,410)	(1,303)	-	(153,825)	(776,465)
Professional fees	(112,114)	(43,154)	(13,050)	(59,675)	(15,040)	(350,042)	(593,075)
Property costs	(4,624)	(119,944)	(207,755)	-	-	-	(332,323)
Advertising and promotion	(15,362)	(3,743)	-	(1,310)	-	-	(20,415)
Other expenses	(74,386)	29,597	(555,219)	44,709	(8,548)	(313,169)	(877,016)
Depreciation and amortisation expense	(9,285)	(12,562)	(219,917)	(135,356)	-	(182,434)	(559,554)
Impairment of intangibles	-	-	(520,000)	-	-	-	(520,000)
Profit/(Loss) before income tax benefit	14,060	1,354,969	(263,851)	485,391	(166,176)	(823,090)	601,303
Income tax (expense) benefit	(205,562)					(563,732)	(769,294)
Loss after income tax benefit							(167,991)
Other comprehensive income	-	-		-	-	-	-
Total comprehensive income							(167,991)

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

Note 5. Revenue

	Consolidated 2020 $	Consolidated 2019 $
Revenue from contracts with customers		
Property services	608,282	1,392,477
Professional services	2,289,052	754,797
Other	50,822	6,609
Total revenue from contracts with customers	2,948,156	2,153,883
Other revenue		
Investments revenue	329,153	540,055
Total revenue	3,277,309	2,693,938

Note 6. Other income

	Consolidated 2020 $	Consolidated 2019 $
Other income		
Interest received	275,412	312,296
Gain/(loss) on disposal	(644,434)	1,074,634
Disbursement recovery	163,252	349,671
Gain on bargain purchase	-	258,910
Other	53,292	302,950
	(152,478)	2,298,462

Note 7. Expenses

	Consolidated 2020 $	Consolidated 2019 $
Loss before income tax from continuing operations includes the following specific expenses:		
Cost of sales		
Cost of sales	237,859	445,603
Depreciation and amortisation		
Amortisation (Note 17,18)	388,707	270,014
Depreciation (Note 16)	82,245	60,338
Total amortisation and depreciation	470,952	330,352
Other		
Superannuation expense	151,330	198,361
Bad debts and allowance for credit losses expense (reversal)	196,337	(34,054)
	715,378	-
Total other	1,063,345	164,307

Note 8. Income tax expense/(benefit)

	Consolidated	
	2020	**2019**
	$	**$**
Income tax expense/(benefit):		
Attributed to continuing operations	812,102	563,732
Attributed to discontinued operations	(6,343)	205,562
Aggregate income tax expense/(benefit) to continuing operations	805,759	769,294
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate		
Loss before income tax (expense)/benefit from continuing operations	(1,324,830)	(146,196)
Profit before income tax expense from discontinued operations	(40,094)	747,499
Profit/(loss) before income tax benefit	(1,364,924)	601,303
Tax at the statutory tax rate of 27.5%	(375,354)	165,358
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Amortisation of intangibles	48,859	74,016
Legal expenses	1,444	-
Other non-deductible amounts	231,079	233,838
Future income tax benefits on tax losses brought to account (previously unrecognised tax losses)	702,014	-
Amortisation of software		-
Non-assessable income	(202,831)	(164,090)
Non-deductible interest		41,131
Impairment loss	198,106	143,000
Derecognition of deferred tax on deconsolidated entity	-	-
Movement in tax rate	-	-
Non-deductible un-realised fair value adjustment	-	100,093
Derecognising tax effect on opening revaluation reserve upon realisation	-	296,602
Increase in market value not assessable	-	(113,374)
Other	208,785	(7,280)
Income tax expense/(benefit) attributed to continuing operations	812,102	769,294

Note 9. Discontinued operations

Effective 29 February 2020, the Group finalised the full disposal of its entire holding in Vertua Investment Unit Trust and its 50% interest in the Locumsgroup business. The total consideration generated from the sale of the units and assignment of debt amounted to $600,000 and is expected to be paid to the Vertua in June 2020.

Note 9. Discontinued operations (continued)

(a) Financial performance information

	Consolidated	
	31-Mar-20	**31-Mar-19**
	$	**$**
Revenue	1,434,154	2,427,740
Other	23,670	39,285
Total Revenue	1,457,824	2,467,025
Cost of sales	(63,969)	(74,929)
Salaries and wages	(885,861)	(1,117,596)
Professional fees	-	(13,050)
Property costs	(115,163)	(207,755)
Other Expenses	(152,727)	(555,219)
Depreciation and Amortization	(250,677)	(219,917)
Impairment loss	-	(520,000)
Finance costs	(29,521)	(22,410)
Total Expenses	(1,497,918)	(2,730,876)
Profit (Loss) before income tax benefit	(40,094)	(263,851)
Income tax benefit	(6,343)	-
Profit (loss) after income tax expense	(46,437)	(263,851)
Loss on disposal before income tax expense on discontinued operations	(1,045,080)	-
Non-controlling interest share of loss	400,646	-
Loss on disposal before income tax expense on discontinued operations attributable to the shareholders of Vertua Limited	(644,434)	-

(b) Cash flow information

	Consolidated	
	2020	**2019**
	$	**$**
Net cash from operating activities	576,414	143,383
Net cash used in investing activities	(1,439)	(15,620)
Net cash used in financing activities	(550,768)	144,725
Net increase/(decrease) in cash and cash equivalents from discontinued operations	24,207	272,488

Note 9. Discontinued operations (continued)

(c) Carrying amounts of assets and liabilities disposed

	Consolidated 2020 $
Cash and cash equivalents	216,295
Trade receivables	361,093
Property, plant and equipment	56,220
Intangibles	474,003
Right-of-use Asset	386,677
Net present value of trail commission income	1,076,099
Total assets	2,570,328
Trade payables	263,140
Employee entitlements	140,600
Finance Liabilities	426,458
Total liabilities	830,199
Net assets	1,740,130

(d) Details of the disposal

	Consolidated 2020 $
Carrying amount of assets disposed (100%)	1,740,130
Non-controlling interests (Vertua portion of Locumsgroup net assets)	870,065
Goodwill	775,016
Net assets disposed	1,645,080
Consideration received	600,000
Loss on sale of Vertua Investment Unit Trust	(1,045,080)
Adjustment for NCI share of diminution within discontinued operations up to date of sale	400,646
Loss on sale of Vertua Investment Unit Trust attributed to Vertua Limited Shareholders	(644,434)

Note 10. Current assets - Cash and cash equivalents

	Consolidated 2020 $	Consolidated 2019 $
Cash at bank and on hand	441,197	1,194,713

Note 11. Current assets - Trade and other receivables

	Consolidated	
	2020	**2019**
	$	**$**
Trade receivables	1,308,523	939,121
Real estate commissions receivable	-	(7,800)
Less: Allowance for expected credit losses	-	155,992
	1,308,523	1,087,313
Accrued income	282,489	69,408
Prepayments	85,118	1,507,105
	367,607	1,576,513
HPM sale receivable	-	113,636
Insurance claim receivable	55,000	160,000
Consideration receivable	600,000	
Short term loan advances	350,955	206,216
	2,682,085	3,143,678

Insurance claim receivable
The Group finalised its negotiations with the credit insurers of the Printing segment (sold in July 2018) for a claim against their Professional Indemnity insurance for incorrect advice received. The total receivable is $55,000 in full settlement of the claim was received in June 2020.

Short term loan advances
The Group has extended short term, interest free loan advances to 37 Powell Road Unit Trust, FPG No 4 Unit Trust and FPG No 5 Unit Trust (all Property segment development) representing bridge financing to cover incidental costs to completion. It is expected that these short-term loans will be paid back in full within 12 months from the report period.

Note 12. Current assets - Financial assets

	Consolidated	
	2020	**2019**
	$	**$**
Financial assets: Interests in residential development entities held at fair value	920,000	520,000

The Group has a number of investments in a variety of development projects located in Sydney, NSW and other Australian domiciled equities.

The $520,000 was the equity portion of the Northbridge project and was received in full upon completion of the development during June 2019.

The $920,000 relates to the equity portion of Vertua in the 37 Powel Road development. 37 Powel Road development has been sold, with settlement scheduled for July 2020 at which point the development will pay back Vertua its equity portion.

Note 13. Current assets - Net present value of trail commission income

	Consolidated	
	2020	2019
	$	$
Commissions receivable	-	425,520

Commissions receivable form part of discontinued operations. Refer to Note 9 for more detail.

Note 14. Non-current assets – Receivables

	Consolidated	
	2020	2019
	$	$
Other receivable	158,400	-
Security Deposits	-	116,354
Loan – Shakeel K	15,000	-
Loan - Defender No.2 Fund Pty Ltd (related party)	2,289,796	1,325,261
Loan - FE Management Pty Ltd	551,805	194,308
	3,015,001	1,635,923

Related party Loan - Defender No.2 Pty Ltd – Defender No.2 Fund Pty Ltd
Defender No.2 Pty Ltd as trustee for the Defender No.2 Fund ("Defender No.2") is a special purpose vehicle, established by James Manning to facilitate the syndication of a loan advance to American Patriot Oil & Gas Limited. Defender No.2 and the Group share a common director in the person of James Manning and is considered a related party of James Manning, however all transactions are on a commercial arm's length basis. The Group participated in the syndicate on the same terms as other independent investors.

The Syndicated loan to AOW is secured by Defender No.2 holding a General Security Deed over the business and assets of AOW. The Group's loan to Defender No.2 is interest bearing at 12% and is repayable in 4 years and whilst unsecured, the Group does have the right to nominate a director to AOW's board.

Loan - FE Management Pty Ltd
FE Management Pty Ltd as trustee for the FE Management Trust is a special purpose vehicle, established by James Manning to facilitate the executive staff remuneration within the First Equity division. In light of First Equity being wholly owned by Vertua Limited, versus a traditional partnership model for professional services business, the loan account associated with FE Management Pty Ltd reflects the drawings and advances to partners in advance of the determination of final profit shares or income. The advances made by FE Management Trust are not to any of the Directors of Vertua Limited.

Other receivable
Relates to an advance for the deposit on the acquisition of development in the Central Coast of New South Wales. It is expected that these funds will be paid back in full once the development commences.

Note 15. Non-current assets - Financial assets

	Consolidated 2020 $	Consolidated 2019 $
Financial assets: Interests in residential development entities held at fair value	1,402,005	2,453,273
Financial assets: Equities held at fair value	1,775,118	1,916,227
	3,177,123	4,369,500

The investments in development projects represents the net exposure to the underlying projects held by the Group as at reporting date. The Group may be called to contribute additional capital to one or more of the projects depending on the stage of the development, timing of cash flows as well as the projects ability to secure third party funding.

Uncalled capital commitments as at 31 March 2020 amount to $354,780 (FY2019: $372,685).

The current portion of financial assets is disclosed in Note 12.

Note 16. Non-current assets - Property, plant and equipment

	Consolidated 2020 $	Consolidated 2019 $
Fixtures and fittings - at cost	254,171	393,417
Less: Accumulated depreciation	(59,536)	(97,285)
	194,635	296,132
Motor vehicles - at cost	78,281	78,281
Less: Accumulated depreciation	(38,450)	(19,715)
	39,831	58,566
Computer equipment - at cost	65,581	80,538
Less: Accumulated depreciation	(65,581)	(75,129)
	-	5,409
Office equipment - at cost	57,105	58,431
Less: Accumulated depreciation	(46,369)	(43,207)
	10,736	15,224
	245,201	375,331

Note 16. Non-current assets - Property, plant and equipment (continued)

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

Consolidated	Fixtures and fittings $	Computer equipment $	Office equipment $	Motor vehicle $	Total $
Balance at 31 March 2018	360,661	6,044	21,883	37,241	425,829
Additions	62,420	104,316	8,741	37,705	213,182
Disposals	(35,222)	(71,947)	-	-	(107,169)
Disposal on sale of HPM (Note 9)	(41,668)	(5,489)	(8,514)	-	(55,671)
Depreciation expense - continuing operations (Note 7)	(47,674)	(26,049)	(6,660)	(16,380)	(96,763)
Depreciation expense - discontinued operations	(2,385)	(1,466)	(226)	-	(4,077)
Balance at 31 March 2019	296,132	5,409	15,224	58,566	375,331
Additions	-	17,284	10,280	-	28,104
Disposals	-	-	-	-	-
Disposal on sale of Locumsgroup (Note 9)	(55,480)	-	(740)	-	(56,221)
Depreciation expense - continuing operations (Note 7)	(26,946)	(22,693)	(13,870)	(18,735)	(82,244)
Depreciation expense - discontinued operations	(19,071)		(699)	-	(19,770)
Balance at 31 March 2020	194,635	-	10,736	39,831	245,201

Note 17. Non-current assets - Right-of-use asset (Land & Building)

	2020 $
Right of Use - Asset (Land & Building)	419,319
Less: Accumulated depreciation	(209,664)
	209,655

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

	Right-of-use asset
Balance at 1 April 2019	-
Additions brought forward – opening balance adjustments	1,046,369
Accumulated depreciation prior years – opening balance adjustment	(247,555)
Restated opening balance at 1 April 2019	798,814
Depreciation expense – discontinued operations	(62,706)
Depreciation expense – continuing operations	(139,776)
Disposal on sale – Locumsgroup	(386,677)
Balance at 31 March 2020	209,655

Note 18. Non-current assets – Intangibles

	Consolidated	
	2020 $	2019 $
Goodwill - at cost	1,019,057	1,985,056
Less: Impairment	-	(260,000)
	1,019,057	1,725,056
Trademarks - at cost	2,640	2,640
Software - at cost	322,453	163,053
Less: Accumulated amortisation	(180,082)	(23,144)
	142,371	139,909
Customer relationships - at cost	1,690,358	2,424,361
Less: Accumulated amortisation	(908,420)	(648,226)
Less: Impairment	-	(260,000)
	781,938	1,516,135
	1,946,006	3,383,740

Note 18. Non-current assets - Intangibles (continued)

Reinstatement of Goodwill / loan receivable	**Total**
	$
Balance of goodwill 31 March 2019 - pre reinstatement	775,096
Reallocation of Lily Bordeaux loan receivable to Goodwill	949,960
Closing balance of goodwill at 31 March 2019 after reinstatement	1,725,056

Related party loan - Lily Bordeaux Pty Ltd & Goodwill reinstatement
Lily Bordeaux Pty Ltd is a related party entity to Benjamin Doyle. In prior period, a loan was recorded in the accounts that represented an advance on future performance earnout as agreed on the originally acquisition of Joe Public Holdings Group (property segment). At the time of acquisition, the future performance earnout based on pipeline developments acquired, and covering a 4 year period could not be quantified. In light of the agreed upon advance and the nature of the transaction, the Board deemed that the earnout receivable should form part of the Goodwill acquired in the property segment. As such, both the receivable and goodwill opening balances from prior periods have been reinstated to reflect the correct allocation of the nature of the transaction.

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

Consolidated	Goodwill $	Customer relationships $	Software $	Trademarks $	Total $
Balance at 31 March 2019	1,725,056	1,516,135	139,909	2,640	3,383,740
Additions		-	159,400	-	159,400
Disposals	-	-	-	-	-
Disposal on sale of Locumsgroup (Note 9)	(705,999)	(474,003)	-	-	(1,180,002)
Impairment loss		-	-	-	-
Write back on disposal	-	-	-	-	-
Amortisation expense - continuing operations (Note 7)	-	(91,993)	(156,938)	-	(248,931)
Amortisation expense - discontinued operations	-	(168,201)	-	-	(168,201)
Balance at 31 March 2020	1,019,057	781,938	142,371	2,640	1,946,006

Note 18. Non-current assets - Intangibles (continued)

The Groups intangible assets by operating segment are:

	Property	Professional services	Corporate	Investments	Total
	$	$	$		$
Goodwill	950,040	-	-	69,017	1,019,057
Customer relationships	-	781,938	-	-	781,938
Software	-	-	142,371	-	142,371
Trademarks	-	-	2,640	-	2,640
	950,040	781,938	145,011	69,017	1,946,006

(a) The fair value of intangible assets recorded on the balance sheet as at 31 March 2020 totalling $1,946,006 reflects the Director's view on the fair value between knowledgeable, independent parties and an accurate reflection of their recoverable amounts in context of the Group's business model.

Intangible assets, other than goodwill and trademarks, have finite useful lives. The current period amortisation charge for intangible assets is included under the depreciation and amortisation expense in the statement of profit or loss and other comprehensive income.

Customer relationships acquired in a business combination of First Equity are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 8-10 years from acquisition.

Software relates to Vertua's accounting system managing, the affairs of the Group.

(b) Goodwill is assessed annually by management for impairment.

Goodwill reduced during the year due to the sale of Vertua's 50% stake in Locumsgroup.

Note 19. Non-current assets - Deferred tax

	Consolidated	
	2020	**2019**
	$	**$**
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses recognised	1,530,574	636,640
Employee benefits	39,423	69,099
Accrued expenses	-	-
Revenue received in advance	-	902
Accounts receivable	-	(54,010)
Deductible capitalised expenses	-	-
Lease liabilities	60,606	
Right of Use of assets	(57,655)	
Deferred tax asset	1,572,948	652,631

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 20. Non-current assets - Deferred tax (continued)

The Group obtained specific advice from a specialist tax lawyer and consulted with senior counsel, based upon which it places reliance in applying the Modified Continuity of Ownership ("COT") and also the Same 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 the 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 related deferred tax asset.

During FY18, the Group obtained a private tax ruling from the ATO outlining that they were eligible to utilise carry-forward tax losses arising from financial years ending 30 June 2006 and beyond.

Note 20. Non-current assets - Net present value of trail commission income

	Consolidated	
	2020 $	2019 $
Commissions receivable	-	807,488

Forms part of discontinued operations. Refer to note 9 for further details.

Note 21. Current liabilities - Trade and other payables

	Consolidated	
	2020 $	2019 $
Trade payables	355,394	262,894
Finance lease liabilities	65,117	76,977
Other payables	697,662	359,111
Deferred consideration	-	90,000
BAS payable	130,954	95,838
Tax Provision	-	28,189
	1,249,127	913,009

The finance lease liabilities are in relation to the purchase of the Group's accounting software, the Group's office fit out and the Company purchase of motor vehicles.

The current portion of the combined finance lease liabilities equates to 12 monthly payments of $65,117. The non-current portion of the finance lease liabilities is disclosed in Note 24.

Note 22. Current liabilities - Other current liabilities

	Consolidated	
	2020 $	2019 $
Loan: Wexford Family Trust	-	500,882
Lease Liability	144,303	-
	144,303	500,882

Wexford Family Trust loan forms part of discontinued operations. Refer to note 9 for further details.

Lease liability arises from the mandatory adoption of AASB 16 standard, being for the premises of Vertua limited.

Note 23. Current liabilities - Provisions

	Consolidated	
	2020	2019
	$	$
Annual leave	72,593	118,486
Long service leave	35,455	85,202
	108,048	203,688

Note 24. Non-current liabilities – Payables

	Consolidated	
	2020	2019
	$	$
Finance lease liabilities	96,515	92,667

The finance lease liabilities are in relation to the purchase of the Groups' accounting software, the Group's office fit out and the purchase of a motor vehicle. The current portion of the finance lease liabilities is disclosed in Note 22.

Note 25. Non-current liabilities - Financial liabilities measured at amortised cost

	Consolidated	
	2020	2019
	$	$
Manning Capital Holdings Pty Ltd	3,842,239	3,434,972
Mackin Money Trust	450,000	450,000
Lease liability	76,082	-
	4,368,321	3,884,972

Refer to Note 30 for further information on financial instruments.

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

Note 25. Non-current liabilities - Financial liabilities measured at amortised cost (continued)

Mackin Money Trust loan
The advance from Mackin Money Trust is on a non-recourse basis to a wholly owned special purpose vehicle of the Group for investment purposes in a property development.

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	2020 $	2019 $
Manning Capital Holdings Pty Ltd	3,842,239	3,434,972
Esplanade Super Fund Pty Ltd	-	-
Holicarl Pty Ltd	-	-
Woodville Super Pty Ltd	-	-
	3,842,239	3,434,972

Assets pledged as security
The loan from Manning Capital Holdings Pty Ltd has a General Security Deed over the assets of Vertua Limited and Vertua Investments Limited (wholly-own subsidiary). They are an all property past and present and capture all subsidiary company interests held by the group.

Note 26. Equity - Issued capital

	Consolidated			
	2020 Shares	2019 Shares	2020 $	2019 $
Class A shares - fully paid	61,907,792	34,817,979	12,125,402	8,706,194

Movements in Class A shares:

Details	**Date**	**Shares**	**$**
Balance	31 March 2019	34,817,979	8,706,194
Issue of shares	18 June 2019	80,000	20,000
Issue of shares (convertible note conversion)	18 June 2019	27,009,813	3,399,208
Balance	31 March 2020	61,907,792	12,125,402

Class A shares
Class A shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid Class A shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Note 26. Equity - Issued capital (continued)

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 31 March 2018 Annual Report.

Note 27. Equity - convertible notes

	Consolidated	
	2020	**2019**
	$	**$**
Convertible note instruments (Tranche A)	-	3,399,209
Convertible note instruments (Tranche B)	720,000	720,000
	720,000	4,119,209

The Tranche A convertible note instruments were converted to shares in April 2019. Tranche B convertible note instruments are expected to be converted by March 2020.

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

	Total
	$
Convertible notes - equity	
Balance as at 31 March 2019	4,119,209
Convertible notes converted to shares	(3,399,209)
Balance as at 31 March 2020	720,000

Note 28. Equity - Non-controlling interest

The non-controlling interest relates to 50% shareholding in the Locumsgroup. The Locumsgroup NCI component only participates in associated profits after predetermined profit hurdles are met.

	Consolidated	
	2020	**2019**
	$	**$**
Non-controlling interest	-	1,270,711

Vertua’s interest in Locumsgroup was sold during the period. Refer to not 9 for further detail.

Note 29. Equity - Dividends

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

Note 30. Financial instruments

[Data subject to Audit and will be provided in the final Audited report]

Note 31. Fair value measurement

[Data subject to Audit and will be provided in the final Audited report]

Note 32. Key management personnel disclosures

Directors
The following persons were directors of Vertua Limited during the financial year:

Christopher Bregenhoj
Benjamin Doyle
James Manning

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

	Consolidated	
	2020	**2019**
	$	**$**
Short-term employee benefits	610,558	582,997
Post-employment benefits	31,843	28,590
Long-term benefits	19,520	17,928
	661,920	629,515

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 31 March 2020 and the year ended 31 March 2019.

Note 33. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck, the auditor of the Company:

	Consolidated	
	2020	**2019**
	$	**$**
Audit services -		
Audit or review of the financial statements	102,574	154,000
Other services -		
Corporate advisory	-	6,500
Preparation of the tax return & tax advice	46,500	65,000
	46,500	71,500
	149,074	225,500

Note 34. Commitments (continued)

Note 34. Commitments

The future minimum operating lease payments are detailed below.

The lease agreement held by the Locumsgroup and form part of the discontinued operations disposed of during the period. Refer to note 9 for further detail.

	Consolidated	
	2020 $	2019 $
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	174,236
One to five years	-	471,296
	-	645,532

	Consolidated	
	2020 $	2019 $
Lease commitments – finance		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	-	76,977
One to five years	-	92,667
	-	169,644

Note 35. Related party transactions

Parent entity
Vertua Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 37.

Key management personnel
Disclosures relating to key management personnel are set out in note 32 and the remuneration report included in the directors' report.

Note 35. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2020	**2019**
	$	**$**
Management and administration fees:		
First Equity Tax Pty Ltd	-	30,000
First Equity Partners	30,000	30,000
Ben Doyle	12,000	12,000
Defender Investment Management Pty Ltd	214,931	210,055
Interest payment:		
Woodville Super Pty Ltd	-	1,147
Manning Capital Pty Ltd	-	-
Manning Capital Holdings Pty Ltd	444,550	486,502
Esplanade Super Fund Pty Ltd	-	-
Interest receipts:		
Defender No.2 Fund Pty Ltd	278,953	205,488

Management and administration fees:
Vertua Limited has paid fees relating to the management and operation of Vertua, including accounting and taxation advice, general administration, company secretarial and the provision of office services.

Interest payments:
Vertua Limited has paid interest payments on related loan expense.

Loans to and from related parties:
There is a related party payable of $3,842,239 to Manning Capital Holdings Pty Ltd as at 31 March 2020 (FY2019: $3,434,972)

There was a related party receivable of $2,289,796 from Defender No.2 Fund Pty Ltd as at 31 March 2019 (FY2019: $1,325,261)

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2020	**2019**
	$	**$**
Loan from Manning Capital Holdings Pty Ltd	3,842,239	3,434,972
Loan to Defender No.2 Fund Pty Ltd	(2,289,796)	(1,325,261)

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 36. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2020	**2019**
	$	**$**
Profit after income tax	(1,324,830)	542,274
Total comprehensive income	-	542,274

Statement of financial position

	Parent	
	2020	**2019**
	$	**$**
Total current assets	7,198,636	9,335,438
Total assets	15,668,814	17,498,133
Total current liabilities	870,340	490,137
Total liabilities	4,702,620	3,742,349
Equity		
Issued capital	12,197,038	8,706,194
Convertible notes	720,000	4,119,209
Retained profits/(accumulated losses)	(1,950,843)	858,746
Total equity	10,966,195	13,684,149

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The Group relinquished its guarantees during the FY20 year.

Contingent liabilities
The parent entity had no contingent liabilities as at 31 March 2020 or 31 March 2019.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 31 March 2020 and 31 March 2019.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 2.

Note 37. Interests in consolidated controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
Corporate:			
Vertua Investments Limited	Australia	100.00%	100.00%
Vertua Nominees Pty Ltd	Australia	0.00%	100.00%
Investment Segment:			
Defender Asset Management Pty Ltd	Australia	100.00%	100.00%
Vertua Opportunities Pty Ltd	Australia	100.00%	100.00%
Professional Services Segment:			
First Equity Associates Pty Ltd	Australia	100.00%	100.00%
First Equity Tax Pty Ltd	Australia	100.00%	100.00%
First Equity Audit Pty Ltd	Australia	100.00%	100.00%
First Equity Advisory Pty Ltd	Australia	100.00%	100.00%
First Equity Services Pty Ltd	Australia	100.00%	100.00%
Locumsgroup Asset Management Pty Ltd	Australia	0.00%	50.00%
Locumsgroup Sydney Pty Ltd	Australia	0.00%	50.00%
Locumsgroup Core Unit Trust	Australia	0.00%	50.00%
Locumsgroup Administrative Services Trust	Australia	0.00%	50.00%
Locumsgroup Finance Trust No. 2	Australia	0.00%	50.00%
Braxton Unit Trust	Australia	0.00%	50.00%
Locumsgroup Private Accounting Services Pty Ltd	Australia	0.00%	50.00%
Property Segment:			
Joe Public Holdings Pty Ltd	Australia	100.00%	100.00%
Fiducia Group Pty Ltd	Australia	100.00%	100.00%
Fiducia Development Group Pty Ltd	Australia	100.00%	100.00%
Fiducia Property Group Pty Ltd	Australia	100.00%	100.00%
Fiducia Development Management Trust	Australia	100.00%	100.00%
Fiducia Project Management Trust	Australia	100.00%	100.00%
FPG No. 4 Pty Ltd	Australia	100.00%	100.00%
FPG No. 5 Pty Ltd	Australia	100.00%	100.00%
Great Superintendent Pty Ltd	Australia	100.00%	100.00%
FPG No. 6 Pty Ltd	Australia	100.00%	0.00%

Note 38. Interests in unconsolidated entities

As detailed in Note 2, Vertua Limited is an investment entity. The table below shows the entities that the Group does not consolidate but in which it holds a controlling interest:

		Ownership and voting interest	
	Principal place of business/	**2020**	**2019**
Name	**Country of incorporation**	**%**	**%**
Property investments			
FPG No. 4 Pty Ltd	Australia	100.00%	100.00%
FPG No. 5 Pty Ltd	Australia	100.00%	100.00%
Great Superintendent Pty Ltd	Australia	100.00%	100.00%
FPG No. 6 Pty Ltd	Australia	100.00%	-
Non-Property Investments			
American Patriot Oil & Gas Limited	Australia	13.15%	13.15%

Note 39. Reconciliation of loss after income tax to net cash from/(used in) operating activities

[Data subject to Audit and will be provided in the final Audited report]

Note 40. Earnings per share

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

	Consolidated	
	2020	**2019**
	$	**$**
Earnings per share for loss from continuing operations		
Profit/(loss) after income tax from continuing operations	(2,017,349)	(709,928)
Profit/(loss) after income tax from discontinued operations	(46,437)	(263,851)
Profit/(loss) after income tax	(2,063,786)	(973,779)

	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	61,907,792	25,718,926
Adjustments for calculation of diluted earnings per share:		
Potential conversion of convertible notes	3,600,000	30,609,843
Options over ordinary shares	28,892,003	13,161,019
Weighted average number of ordinary shares used in calculating diluted earnings per share	94,399,795	69,489,788

Note 40. Earnings per share (continued)

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

	Cents	Cents
Basic earnings per share	(3.26)	(2.76)
Diluted earnings per share	(2.14)	(1.02)

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

	Cents	Cents
Basic earnings per share	(0.08)	(1.03)
Diluted earnings per share	(0.05)	(0.38)

Earnings per share for profit attributable to the owners of Vertua Limited	Cents	Cents
Basic earnings per share	(3.33)	(3.79)
Diluted earnings per share	(2.19)	(1.40)

Note 41. Events after the reporting period

No other matter or circumstance has arisen since 31 March 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
Directors' declaration
31 March 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 March 2019 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

____
Christopher Bregenhoj
Chairman

June 2020

[This page has intentionally been left blank for the insertion of page one of the independent auditor's report]

Shareholder Information

Vertua Limited has on issue 61,907,822 fully paid Class A shares held by 315 holders as at 31 March 2020. All Class A shares of the Company carry one vote per share.

Distribution of equitable securities

Analysis of number of equitable securities by size of holding:

	Number of holders	Shares	% of issued capital
1,001 to 5,000	3	15,000	0.95
5,001 to 10,000	179	3,754,061	56.83
10,001 to 100,000	16	57,154,886	5.08
100,001 and over	117	983,875	37.14
	315	61,907,822	100
Holding less than a marketable parcel	-	-	-

Equity Security Holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities as at 31 March 2020 are listed below:

Investor name	Total shares	% of issued capital
HOLICARL PTY LTD	17,059,358	27.56
MANNING CAPITAL HOLDINGS PTY LTD	16,640,569	26.88
LILY BORDEAUX PTY LTD	6,653,150	10.75
A C N 623 179 680 PTY LTD	3,200,000	5.17
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
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
MR CRAIG ALEXANDER GODHAM	72,000	0.12
	57,644,356	93.11

Substantial shareholders

Substantial shareholders are those who, with their associates control greater than 5% of the issued capital of the Company. As at 31 March 2020, the company is aware of the following substantial shareholders:

Investor name	Total shares	% of issued capital
MANNING CAPITAL HOLDINGS PTY LTD	19,265,215	31.12%
HOLICARL PTY LTD	18,409,358	29.74%
LILY BORDEAUX PTY LTD	6,653,150	10.75%
A C N 623 179 680 PTY LTD	3,200,000	5.17%
	47,527,723	76.77

Vertua Group - Options on issue

Option Holder	Closing FY2019	Transferred	Granted/ Issued	Exercised	Closing FY2020
Manning Capital Holdings Pty Ltd	13,161,019	-	15,730,984	-	28,892,003
Total	13,161,019	-	15,730,984		28,892,003

Vertua Group - Convertible notes on issue

Convertible Note Holder	Closing FY2019	Granted/ (Converted)	Closing FY2020
Holicarl Pty Ltd	11,468,458	(11,468,458)	-
Lily Bordeaux Pty Ltd	3,582,699	(3,582,699)	-
Woodville Super Pty Ltd	-	-	-
Manning Capital Holdings Pty Ltd	11,958,686	(11,958,686)	-
Calvert Investments Pty Ltd	3,600,000	-	3,600,000
Wealth Holdings Trustees Ltd	-	-	-
Total	30,609,843	(27,009,843)	3,600,000