

**VGP CORPORATION LIMITED**

(Formerly Verticon Group Limited)

**ABN 53 111 398 040**

**INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2014**

# VGP CORPORATION LIMITED

(Formerly Verticon Group Limited)

## CONTENTS

	<b>Page</b>
Directors' report	3
Auditor's independence declaration	5
Condensed statement of profit or loss and other comprehensive income	6
Condensed statement of financial position	7
Condensed statement of changes in equity	8
Condensed statement of cash flows	9
Notes to the condensed financial statements	10
Directors' declaration	13
Independent auditor's review report	14

# VGP CORPORATION LIMITED

(Formerly Verticon Group Limited)

## DIRECTORS' REPORT

Your directors submit the financial report of VGP Corporation Ltd for the half-year ended 31 December 2014.

### DIRECTORS

The names of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

### CURRENT DIRECTORS

**Mr Yuen Loke Chin** (Non-Executive Director) appointed 22 March 2013

**Mr Kasudjono Harianto** (Non-Executive Director) appointed 22 March 2013

**Mr Michael Thirnbeck** (Non-Executive Director) appointed 23 December 2013

**Mr Alberto Migliucci** (Non-Executive Director) appointed 13 October 2014

### Company Secretary

**Ms Eryn Kestel** appointed 22 March 2013

### REVIEW OF OPERATIONS

The Company's net loss from continuing operations was \$102,153 (2013: \$27,082).

The Company's shares were suspended from trading on the ASX on 23 March 2011 and remain suspended. The Company was placed into voluntary administration (May 2011), entered into Deed of Company Arrangement (DOCA) (September 2011) and into an amended DOCA and Creditors' Trust (January 2013). The Company was released from DOCA and Administration 22 March 2013.

On 17 October 2014, the Company issued notice of 2014 Annual General Meeting to be held on 20 November 2014 for the purpose of:

- Adoption of 2011 to 2013 Annual Financial Reports
- Re-election of Mr Yuen Loke Chin, Kasudjono Harianto, and Michael Thirnbeck as Directors
- Election of Mr Alberto Migliucci as Director
- To consider any other business that may be brought forward in accordance with the Constitution of the Company or the Corporation Act.

On 20 November 2014, the above proposals were approved by the shareholders.

### SIGNIFICANT EVENTS AFTER REPORTING DATE

Refer to note 7 to the financial statements for details of significant events after the reporting date.

## **VGP CORPORATION LIMITED**

(Formerly Verticon Group Limited)

### **AUDITOR'S DECLARATION**

The lead auditor's Independence Declaration under Section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2014 is set out on page 5.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s. 306(3) of the *Corporations Act 2001*.



Yuen Loke Chin  
**Director**  
**11 March 2015**

The Board of Directors  
VGP Corporation Limited  
2B William Street  
North Sydney, NSW 2060

11 March 2015

Dear Board Members

### VGP Corporation Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of VGP Corporation Limited.

As lead audit partner for the review of the financial statements of VGP Corporation Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



**Chris Nicoloff**  
Partner  
Chartered Accountant

# VGP CORPORATION LIMITED

(Formerly Verticon Group Limited)

## CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Note	Half-year 31 Dec 2014	Half-year 31 Dec 2013
		\$	\$
<b>Revenue</b>			
Interest Received		846	-
<b>Expense</b>			
Professional fees		(64,911)	(1,673)
ASX listing fees		(27,501)	(22,067)
Other expenses		(10,587)	(3,342)
<b>Loss before income tax</b>	2	(102,153)	(27,082)
Income tax		-	-
<b>Loss for the period</b>		(102,153)	(27,082)
<b>Other comprehensive income</b>			
Other comprehensive income		-	-
<b>Total comprehensive loss for the period</b>		(102,153)	(27,082)
<b>Loss attributable to:</b>			
- owners of the parent		(102,153)	(27,082)
<b>Total comprehensive loss attributable to:</b>			
- owners of the parent		(102,153)	(27,082)
<b>Loss per share</b>			
<b>From continuing operations:</b>			
		<b>Cents</b>	<b>Cents</b>
Basic loss per share (cents per share)		(0.10)	(0.03)
Diluted loss per share (cents per share)		(0.10)	(0.03)

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

# VGP CORPORATION LIMITED

(Formerly Verticon Group Limited)

## CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	31 Dec 2014	30 Jun 2014
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		96,766	265
Trade and other receivables		9,211	10,488
<b>TOTAL CURRENT ASSETS</b>		<b>105,977</b>	<b>10,753</b>
<b>TOTAL ASSETS</b>		<b>105,977</b>	<b>10,753</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		60,339	40,462
Borrowings	5	28,285	28,285
<b>TOTAL CURRENT LIABILITIES</b>		<b>88,624</b>	<b>68,747</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	6	177,500	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>177,500</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>266,124</b>	<b>68,747</b>
<b>NET LIABILITIES</b>		<b>(160,147)</b>	<b>(57,994)</b>
<b>EQUITY</b>			
Issued capital		53,103,984	53,103,984
Accumulated losses		(53,264,131)	(53,161,978)
<b>TOTAL EQUITY</b>		<b>(160,147)</b>	<b>(57,994)</b>

The above condensed statement of financial position should be read in conjunction with the accompanying notes to the financial statements.

## VGP CORPORATION LIMITED

(Formerly Verticon Group Limited)

### CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Issued capital	Accumulated losses	Total
	\$	\$	\$
<b>Balance at 1 July 2013</b>	53,103,984	(53,097,614)	6,370
Total Comprehensive Income	-	(27,082)	(27,082)
<b>Balance at 31 December 2013</b>	53,103,984	(53,124,696)	(20,712)
<b>Balance at 1 July 2014</b>	53,103,984	(53,161,978)	(57,994)
Total Comprehensive Income	-	(102,153)	(102,153)
<b>Balance at 31 December 2014</b>	53,103,984	(53,264,131)	(160,147)

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.



# VGP CORPORATION LIMITED

(Formerly Verticon Group Limited)

## CONDENSED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Half-year 31 Dec 2014	Half-year 31 Dec 2013
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	846	-
Payments to suppliers and employees	(81,845)	(28,345)
<b>Net cash provided by/(used in) operating activities</b>	<u>(80,999)</u>	<u>(28,345)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	<u>177,500</u>	<u>25,100</u>
<b>Net cash provided by/(used in) financing activities</b>	<u>177,500</u>	<u>25,100</u>
Net increase /(decrease) in cash and cash equivalents held	96,501	(3,245)
Cash and cash equivalents at beginning of period	<u>265</u>	<u>3,443</u>
Cash and cash equivalents at end of period	<u>96,766</u>	<u>198</u>

The above condensed statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

# VGP CORPORATION LIMITED

(Formerly Verticon Group Limited)

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standard 134 ensures that the financial statements and notes also comply with International Financial Reporting Standards, IAS 134 Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of VGP Corporation Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2014, together with any public announcements made during the half-year.

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following revised Accounting Standard except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

#### (b) Adoption of new and revised Accounting Standards

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and are effective for the current financial reporting period, being the half year ended 31 December 2014.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 1031 'Materiality' (2013)
- AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'
- AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'
- AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'
- AASB 2014-1 'Amendments to Australian Accounting Standards'
  - Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycles'
  - Part C: 'Materiality'

The adoption of these standards and interpretations did not have a material impact on the Company.

#### (c) Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the consolidated entity for the half year ending 31 December 2014. Management is in the process of assessing the impact of the adoption of these standards and interpretations on the company.

# VGP CORPORATION LIMITED

(Formerly Verticon Group Limited)

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

### Note 2: LOSS FOR THE PERIOD

	31 December 2014 \$	31 December 2013 \$
<b>Other revenue</b>		
Interest income	846	-
	<hr/>	<hr/>
	846	-
<b>Expenses</b>		
Professional fees	(64,911)	1,673
ASX listing fees	(27,501)	22,067

### Note 3: OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors of the consolidated entity. The board of directors have concluded that at this time the company is only performing corporate activities and information similar to the financial statements presented in the financial report are received by them, to manage and allocate their resources.

### Note 4: FINANCIAL INSTRUMENTS

The fair value of financial assets and liabilities approximates its carrying amount recorded in the statement of financial position.

### Note 5: BORROWING – CURRENT

	31 Dec 2014 \$	30 Jun 2014 \$
Balance at the beginning of the period	28,285	500
Loan – Petra Commodities Pte Ltd	-	27,785
Balance at the end of the period	<hr/>	<hr/>
	28,285	28,285

On 31 December 2013, the Company entered into a loan agreement with Petra Commodities Pte Ltd for \$25,600 at 12% per annum interest, unsecured and repayable on the earlier of:

- 24 months,
- when the Company enters into a recapitalisation event or,
- the lender or any of its subsidiaries ceases to own at least 51% of the Company provided that VGP Corporation Ltd raises sufficient surplus funds to continue as a going concern

## VGP CORPORATION LIMITED

(Formerly Verticon Group Limited)

### NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

#### Note 6: BORROWING – NON CURRENT

Balance at the beginning of the period

	31 Dec 2014	30 Jun 2014
	\$	\$
Balance at the beginning of the period	-	-
Loan – Petra Commodities Pte Ltd	177,500	-
Balance at the end of the period	<u>177,500</u>	<u>-</u>

On 03 September 2014, the Company entered into a loan agreement with Petra Pacific Pte Ltd for \$150,000 at 12% per annum interest, unsecured and repayable on the earlier of:

- 24 months,
- When the Company enters into a recapitalisation event or,
- The Lender or any of its subsidiaries ceases to own at least 51% of the Company provided that VGP Corporation Ltd raises sufficient surplus funds to continue as a going concern

#### Note 7: EVENTS AFTER BALANCE DATE

No significant events have occurred since 31 December 2014.

## **VGP CORPORATION LIMITED**

*(Formerly Verticon Group Limited)*

### **DIRECTORS' DECLARATION**

The directors declare that:

1. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
2. in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



**Yuen Loke Chin**  
**Director**

11 March 2015

# Independent Auditor's Review Report to the Members of VGP Corporation Limited

We have reviewed the accompanying half-year financial report of VGP Corporation Limited (the Company), which comprises the condensed statement of financial position as at 31 December 2014, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration as set out on pages 6 to 13.

## *Directors' Responsibility for the Half-Year Financial Report*

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

## *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of VGP Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

## *Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of VGP Corporation Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

## *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matters that makes us believe that the half-year financial report for VGP Corporation Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



**DELOITTE TOUCHE TOHMATSU**



**Chris Nicoloff**  
Partner  
Chartered Accountant  
Perth, 11 March 2015