



Vortex Pipes *Limited*

ACN 096 870 978

ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2014

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CORPORATE DIRECTORY

Directors

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

Company Secretary

Loren Jones

Registered Office

C/- Cicero Corporate Services Pty Ltd
Suite 9, 330 Churchill Avenue
Subiaco, WA 6008
Tel: (08) 6489 1600
Fax: (08) 6489 1601
Email: admin@virtexpipes.com

Postal Address

PO Box 866
Subiaco, WA 6904

Principal Place of Business

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Subiaco, WA 6008
Tel: (08) 6489 1600
Fax: (08) 6489 1601
Email: admin@vortexpipes.com

Website

www.vortexpipes.com

ASX Code: VTX

Auditors

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

Share Registry

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

Banker

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

Home Stock Exchange

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

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CORPORATE GOVERNANCE STATEMENT

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

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

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

Principle 1 – Lay solid foundations for management and oversight

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

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

Principle 2 – Structure the Board to add value

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

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

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

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

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

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

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

CORPORATE GOVERNANCE STATEMENT

Principle 3 – Promote ethical and responsible decision-making

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

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

A copy of the Company's Code of Conduct is available at the Company's principal place of business.

The Company has also formulated a Company policy for directors, executives and employees concerning dealings in Company securities. This policy is as follows:

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

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE STATEMENT

Principle 4 – Safeguard integrity in financial reporting

The Company is not of a size at the moment that justifies having a separate audit committee. However, matters typically dealt with by an audit committee are currently dealt with by the Board of directors which comprises one independent Non-Executive Chair, three Non-Executive directors and one Non-Independent director. Though the Company intends to seek out and appoint additional independent directors to the Board when size and scale of the Company justify and warrant their inclusion, for the time being the Company maintains a mix of directors from different backgrounds with complementary skills and experience. No charter has been developed, as there is no audit committee due to the role currently being fulfilled by the Board.

The Company's auditor is Pitcher Partners Corporate & Audit (WA) Pty Ltd ("Pitcher Partners"), appointed in 2011. Consistent with ASX CGC 6 Pitcher Partners attends, and is available to answer questions at, the Company's Annual General Meeting.

The signing off of the annual accounts is a matter considered by the whole Board.

Principle 5 – Make timely and balanced disclosure

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

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

Principle 6 – Respect the rights of shareholders

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

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

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

CORPORATE GOVERNANCE STATEMENT

Principle 7 – Recognise and manage risk

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

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

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

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

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

Principle 8 – Remunerate fairly and responsibly

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

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

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

CHAIRMAN'S LETTER

Dear Shareholder,

During the year, The Company continued to explore opportunities to develop and commercialise the ShieldLiner System in North America. The ShieldLiner System is a unique trenchless pipe relining technology developed in-house for the rehabilitation of existing pipes insitu. The unique, international award-winning design is the world's first true 'pipe rehabilitation' trenchless system as it rehabilitates the original pipe and applies a new thin liner to it for additional properties. It utilises pressure to impregnate structural resins through the new thin liner and the existing damaged pipe line, without any excavation required. The finished 'rehabilitated pipe' by the ShieldLiner system is ideal for pressure pipelines in water, oil and gas industries.

The Company also continued its due diligence investigations with respect to the option agreements it held to acquire up to 100% of the Snelgrove DSO iron ore project located in Newfoundland Labrador, Canada, from TSX-listed Cap-Ex Iron Ore Ltd ("Cap-Ex Iron Ore") and Preston Mineral Resources Ltd ("Preston"). The Project, which consists of 593 continuous claims covering a total area of 148 square kilometres is adjacent to mineral claims and hematite deposits owned by Champion Iron Ltd (ASX: CIA, formerly Mamba Minerals Limited). Following these due diligence investigations, inclusive of flying a high resolution airborne Falcon Gravity and Magnetometer survey in conjunction with Mamba, and with regard to the financing challenges currently being experienced by small cap explorers globally, the Board decided not to pursue this opportunity and the options lapsed.

During the year, the Company also issued 625,000,000 options following shareholder approval received in August 2013. These options were free attaching to the share placement completed in June 2013. A further placement of 1,000,000,000 options raised \$100,000 (before costs of the offer).

Subsequent to year-end the Company executed a Letter of Intent with Noor Energy Corporation ("Noor") for Noor to be granted an exclusive option to acquire all of the assets and intellectual property of the ShieldLiner System (the "Acquisition").

The Company also received commitments from various sophisticated investors to subscribe for up to 785 million shares at an average subscription price of \$0.0005 to raise up to \$392,500 before costs of the issue. The shares will be issued with a free attaching unlisted option (exercisable at \$0.00125, expiring 31 August 2018). Furthermore, the Board resolved to seek shareholder approval for a consolidation of capital on a 20 for 1 basis. The Board has also resolved to undertake a Share Purchase Plan for existing shareholders to subscribe for up to \$15,000 worth of shares at an issue price of \$0.01 (on a post consolidation basis).

As a result of the proposed listing of the ShieldLiner System on the CSE, Mr Patrick Corr, Mr Brett Matich, Mr Trevor Gosatti and Mr Sean McGrath resigned from the Board of Vortex. Consequently the Company appointed Mr Andrew Haythorpe and Mr Harry Karelis as Directors.

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



Andrew Haythorpe
Chairman

DIRECTORS' REPORT

The directors of Vortex Pipes Limited (ASX: VTX, "the Company" or "Vortex") submit herewith the annual report of the Company and its controlled entity (the "Group") for the financial year ended 30 June 2014. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Information about the Directors

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

James Robinson (Non-Executive Director)

Mr Robinson gained extensive capital markets and advisory experience during 10 years with one of Western Australia's leading corporate advisory and stockbroking firms. Mr Robinson has served in either board or managerial positions of companies operating in North America, South America, Eastern Europe, Asia and Australia. He currently serves as a Director of Jacka Resources Ltd (ASX: JKA) and Vesuvius Minerals Limited. He is also a Director of corporate advisory firm Cicero Advisory Services. Mr Robinson is a member of the Australian Institute of Company Directors and holds a Bachelor of Economics from the University of Western Australia.

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

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

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

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

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

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

The Board believes that the skill-set and experience that Mr Karelis brings to the Board will be invaluable as the company progresses with its intention of reviewing and securing new opportunities.

Trevor Gosatti (Managing Director; resigned 14 August 2014)

Mr Gosatti is a founding director of Vortex Pipes Limited. He has over 25 years' experience in all aspects of civil contracting operations, including administration and management. He is also Managing Director of Premium Pipe Services Pty Ltd, a wholly owned subsidiary of Vortex Pipes Limited. He is a member of the Australian Institute of Company Directors, a current Board member and past president of the Civil Contractors Federation (WA Branch), a member of the National Board of the Civil Contractors Federation, an Alternate Director of the Skills DMC Industry Skills Council Board, a member of the Civil Construction Industry Sector of the Skills DMC Industry Skills Council, Chairman of the Civil Construction Training Package Working Party of the Skills DMC Industry Skills Council, and a Western Australian Councillor and current Australian Chairman for the Australasian Society for Trenchless Technology.

DIRECTORS' REPORT

Information about the Directors (cont'd)

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

Mr Matich was the inaugural Managing Director of AIM and ASX-listed Aztec Resources Ltd ("Aztec") and brings more than 20 years' experience in the mining industry. At Aztec, he was responsible for identifying the Koolan DSO hematite deposit and guiding the project towards development, prior to the Mt Gibson Iron Ltd takeover bid in 2006. In addition, Mr Matich identified and oversaw the discovery of Cap-Ex Iron Ore Ltd Block 103 magnetite deposit near Schefferville, only 50 kilometres northeast of the Snelgrove DSO iron ore project located in Newfoundland Labrador, Canada.

Patrick Corr LLB (Chairman; resigned 14 August 2014)

Patrick Corr is a Barrister and Solicitor of the Supreme Court of Western Australia and specialises in laws regulating companies and securities in Australia. He also has considerable experience in the management and direction of private, public and ASX listed companies. Mr Corr currently serves as a Non-Executive director of ASX-listed Hammer Metals Limited. Mr Corr's management and legal experience extends to a range of industries including IT, software and services and the mineral and natural resources industry in Australia and foreign jurisdictions, in particular the United Kingdom and various African countries.

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

Mr McGrath has over 17 years' experience in financial reporting, accounting and corporate advisory for companies operating in the North American oil and minerals industry. His expertise and specific knowledge of the region and industry are of great strategic importance to the Company, as it works to establish key distribution partners for Vortex's flagship proprietary ShieldLiner pipeline rehabilitation technology. Mr McGrath is based in Vortex Pipes' Canadian office. Previous roles held by Mr McGrath include Chief Financial Officer and General Manager positions at Abentueur Resources, Minera IRL Limited, and Hamilton Resource Group.

Loren Jones (Company Secretary)

Miss Jones has worked in finance and back office administration roles with ASX listed companies, stockbroking and corporate advisory services for the past 8 years. During this time she has gained invaluable experience in dealing with all aspects of corporate administration and governance. She currently serves as the Company Secretary of ZipTel Limited (ASX: ZIP) an Australian owned and operated telecommunications business focused on providing international roaming and calling solutions to the consumer. She is a BIA Accredited Bookkeeper and a member of the Institute of Certified Bookkeepers, holds a Certificate IV Financial Services (Bookkeeping), has a Bachelor of Science in Psychology from Curtin University of Technology and is currently completing her Graduate Diploma of Applied Corporate Governance with Governance Institute of Australia.

Directorships of other listed companies

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

Name	Company	Period of directorship
Patrick Corr ⁽¹⁾	Hammer Metals Limited	June 2013
James Robinson	Hastings Rare Metals Limited	March 2011 - October 2011
	Cohiba Minerals Limited	January 2011 - September 2012
	Bisan Limited	Feb 2012 - May 2012 and Aug 2013 - Oct 2013
	Jacka Resources Limited	May 2014
Andrew Haythorpe ⁽²⁾	Liberty Resources Limited	August 2008
Harry Karelis ⁽³⁾	Biotech Capital Limited	May 2000 - August 2014

⁽¹⁾ Resigned 14 August 2014

⁽²⁾ Appointed 14 August 2014

⁽³⁾ Appointed 14 August 2014

DIRECTORS' REPORT

Directors' shareholdings

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

	Opening balance	Acquired/ (disposed) during the year	Balance at 30 June No.	Net Change – Other	Closing balance
Patrick Corr	-	-	-	-	-
Trevor Gosatti ⁽²⁾	45,630,940	-	45,630,490	(45,630,940)	-
James Robinson	84,015,707	5,984,293	90,000,000	-	90,000,000
Brett Matich ⁽²⁾	5,000,000	124,772,957	129,772,957	(129,772,957)	-
Sean McGrath	-	-	-	-	-
Andrew Haythorpe ⁽¹⁾	-	-	-	200,000,000	200,000,000
Harry Karelis ⁽¹⁾	-	-	-	-	-

(1) Appointed 14 August 2014

(2) Resigned 14 August 2014

Remuneration of key management personnel

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

Share options granted to Directors and senior management

During and since the end of the financial year, no options were granted to directors and senior management (2013: NIL).

Principal Activities

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

Review of Operations

The Group incurred a net loss after tax for the year ended 30 June 2014 of \$840,940 (2013: loss \$376,457), a net cash outflow from operations of \$588,967 (2013: \$512,132) and a net liability position of \$231,998 (2013: \$514,942 net assets).

During the year, the Company issued 625,000,000 options following shareholder approval received in August 2013. These options were free attaching to the share placement completed in June 2013. A further placement of 1,000,000,000 options raised \$100,000 (before costs of the offer).

On 20 January 2014 the Company announced the appointment of Mr Sean McGrath as a Non-Executive Director and its North American Chief Financial Officer (CFO). Mr McGrath brings to the role over 17 years' experience in financial reporting, accounting and corporate advisory for companies operating in the North American oil and minerals industry.

On 30 January 2014 the Company announced that it has signed a Technology Non-Disclosure Agreement with an engineering group based in the United States, The Kelley Group. The NDA is in relation to confidential information about the Company's wholly-owned ShieldLiner technology and its potential distribution into the US markets. The Agreement remains in place for a two year period, beginning the date of execution. Under the terms of the Agreement, The Kelley Group will be unable to work with any other competing trenchless pipeline technology companies for the full duration of the two year period.

Review of Operations (cont'd)

The Company continued to explore opportunities to develop and commercialise the ShieldLiner System in North America. The ShieldLiner System is a unique trenchless pipe relining technology developed in-house for the rehabilitation of existing pipes insitu. The unique, international award-winning design is the world's first true 'pipe rehabilitation' trenchless system as it rehabilitates the original pipe and applies a new thin liner to it for additional properties. It utilises pressure to impregnate structural resins through the new thin liner and the existing damaged pipe line, without any excavation required. The finished 'rehabilitated pipe' by the ShieldLiner system is ideal for pressure pipelines in water, oil and gas industries.

The Company also continued its due diligence investigations with respect to the option agreements it held to acquire up to 100% of the Snelgrove DSO iron ore project located in Newfoundland Labrador, Canada, from TSX-listed Cap-Ex Iron Ore Ltd ("Cap-Ex Iron Ore") and Preston Mineral Resources Ltd ("Preston"). The Project, which consists of 593 continuous claims covering a total area of 148 square kilometres is adjacent to mineral claims and hematite deposits owned by Champion Iron Ltd (ASX: CIA, formerly Mamba Minerals Limited). Following these due diligence investigations, inclusive of flying a high resolution airborne Falcon Gravity and Magnetometer survey in conjunction with Mamba, and with regard to the financing challenges currently being experienced by small cap explorers globally, the Board decided not to pursue this opportunity and the options lapsed.

Changes in state of affairs

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

Subsequent Events and Future developments

The ShieldLiner System

On 14 August 2014, the Company announced that it had executed a Letter of Intent ("LOI") with Noor Energy Corporation ("Noor") for Noor to be granted an exclusive option to acquire all of the assets and intellectual property of the ShieldLiner System (the "Acquisition"). The Acquisition will be made by way of a plan of arrangement between the companies and result in the Canadian registered Holding Company ("Holding Company") of the ShieldLiner System becoming listed on the Canadian Securities Exchange ("CSE").

Following the execution of the two year Technology Non-Disclosure Agreement with The Kelley Group in January, the parties have continued due diligence investigations into opportunities for ongoing development and deployment of the ShieldLiner System into the US market. Feedback received from various parties interested in the ShieldLiner System has led the Company to conclude that a North American listing of the ShieldLiner System is the preferred way in which to attract ongoing development capital.

It is proposed that the ongoing development capital will be used for the building of an updated ShieldLiner System by a US engineering firm, in conjunction with updated patent applications relating to ShieldLiner Generation II. The ShieldLiner Generation II design will be engineered for distribution to potential strategic investors related to the water, oil and gas pipeline rehabilitation sectors in the US and around the world.

The consideration for the Acquisition will be 15 million shares in the Holding Company at a deemed issue price of CAD\$0.10 per share or CAD\$1,500,000. It is envisaged the 15 million shares will represent approximately 51.7% of the issued capital of the Holding Company, thus providing Vortex and its shareholder a highly leveraged ongoing exposure to the development of the ShieldLiner System yet alleviating the Company of the ongoing funding requirements.

The Acquisition is conditional upon the satisfaction of various conditions precedent including but not limited to due diligence by the parties on each other, an initial capital raising by Noor/the Holding Company of not less than CAD\$700,000, receipt of all third party and regulatory approvals, shareholder approvals and the CSE confirming the securities of the Holding Company will be admitted to trading on the CSE.

Shareholder approval for the purposes of Listing Rule 11.2 and 11.4 will be sought with respect to the Acquisition. It is expected that these resolutions will be put at the upcoming AGM of the Company to be held in October 2014.

Subsequent Events and Future developments (cont'd)

The directors of the Company expect that if shareholder approval is obtained for the Acquisition, completion of the Acquisition will occur in the first half of 2015.

Placement

Furthermore, the Company advised that it had received commitments from various sophisticated investors to subscribe for up to 785 million shares at an average subscription price of \$0.0005 to raise up to \$392,500 before costs of the issue. The shares were issued with a free attaching unlisted option (exercisable at \$0.00125, expiring 31 August 2018). The issue of the attaching options will be subject to the receipt of shareholder approval at a meeting to be held as soon as is practicable.

Share Consolidation

The Board resolved to seek shareholder approval for a consolidation of capital on a 20 for 1 basis. This will result in the various issues of shares referred to within this announcement having a post consolidation issue price of \$0.01 and the options a post consolidation exercise price of \$0.025.

Share Purchase Plan (SPP)

The Board also resolved to undertake a Share Purchase Plan for existing shareholders to subscribe for up to \$15,000 worth of shares at an issue price of \$0.01 (on a post consolidation basis). Subject to the receipt of shareholder approval, it is planned the SPP will raise up to a maximum raise of \$1,000,000. The shares will be issued with a one for five free attaching option (exercisable at \$0.025, expiring 25 October 2015). Subject to satisfaction of the listing requirements, the Company intends to apply to the ASX for this series of options to be listed.

Board Changes

As a result of the proposed listing of the ShieldLiner System on the CSE, Mr Brett Matich and Mr Trevor Gosatti resigned from the Board of Vortex to focus on the ShieldLiner System listing. Each of the above, along with Mr James Robinson are proposed to be Board members of the ShieldLiner System Holding Company. Mr Patrick Corr and Mr Sean McGrath also resigned as Directors of Vortex. The Company concurrently announced the appointments of Mr Andrew Haythorpe and Mr Harry Karelis as Directors.

Issue of Securities to Board Members

The Company advised that it will seek shareholder approval for Mr Haythorpe and Mr Karelis to subscribe for shares on the same terms as the placement. Approval will be sought for each of Mr Haythorpe and Mr Karelis to subscribe for \$100,000 worth of shares at \$0.01 - 10,000,000 shares on a post consolidation basis (with a free attaching unlisted option exercisable at \$0.025, expiring 31 August 2018).

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

Environmental regulations

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

Dividends

No dividends were paid or declared and the directors have not recommended the payment of a dividend for the year ended 30 June 2014 (2013: NIL).

DIRECTORS' REPORT

Shares under option or issued on exercise of options

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

Issuing entity	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
Vortex Pipes Limited	3,125,000,000	Ordinary	\$0.00125	25 October 2015

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

Indemnification of officers and auditors

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

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

Directors' meetings

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

Directors	Board of Directors	
	Eligible to Attend	Attended
Patrick Corr	2	2
Trevor Gosatti	2	1
James Robinson	2	2
Brett Matich	2	2
Sean McGrath	-	-

Proceedings on behalf of the Company

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

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

During the period the Company received a claim from German based supplier for an amount of €22,161.73 (AUD 34,229). The claim appears to date back to dealing with Premium Pipe Services Pty Ltd, a 100% wholly owned subsidiary of Vortex Pipes Ltd, in 2009. The Company has been advised by its legal representatives that the claim is vague and appears to be misconceived and without merit. The Company intends to maintain its dispute of this claim.

Non-audit services

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

Fees of \$1,020 were paid to Pitcher Partners (WA) Pty Ltd for taxation services relating to the 2012 financial year.

Auditor's independence declaration

The auditor's independence declaration is included on page 17 of the annual report.

Remuneration Report (Audited)

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of the Group's key management personnel for the financial year ended 30 June 2014. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. The prescribed details for each person covered by this report are detailed below under the following headings:

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

Key management personnel

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

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

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

Remuneration policy

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

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

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

Non-Executive directors

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

DIRECTORS' REPORT

Remuneration policy (cont'd)

Non-Executive directors (cont'd)

The Company's Non-Executive directors are eligible to receive fees for their services and the reimbursement of reasonable expenses. A monthly fee of \$12,000 (exc. GST) is paid to Cicero Corporate Services Pty Ltd ("Cicero"), a company related to Mr Robinson for corporate administration services including financial reporting, company secretarial services, rent and administrative operations.

In order to preserve the Group's limited cash reserves, it was agreed to accrue payments to Cicero Corporate Services Pty Ltd ("Cicero") and Non-Executive directors for the period 1 January to 30 June 2014. Fees remain unsettled at a rate of 50% from January to March 2014 and 100% from 1 April to current. All outstanding fees will be paid at a time that the Group raises sufficient capital to enable payment.

Executive pay

In order to preserve the Group's limited cash reserves, it was agreed to cease payments to the Managing Director as from 1 April 2012. No payments were made to Mr Trevor Gosatti or a related entity for the year ended 30 June 2014 (2013: \$NIL).

Relationship between the remuneration policy and company performance

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

The table below sets out summary information about the Group's earnings and movement in shareholder wealth for the five years to 30 June 2014:

	30 June 2014	30 June 2013	30 June 2012	30 June 2011	30 June 2010
Revenue (\$)	5,813	18,950	251,613	1,138,469	318,697
Net (loss)/profit before tax (\$)	(840,940)	(376,457)	(650,885)	220,399	(1,517,958)
Net (loss)/profit after tax (\$)	(840,940)	(376,457)	(650,885)	220,399	(1,517,958)
Share price at start of year (\$)	0.001	0.001	0.001	0.001	0.040
Share price at end of year (\$)	0.001	0.001	0.001	0.001	0.001
Basic and diluted profit/(loss) cents per share	(0.00027)	(0.00017)	(0.00053)	0.00244	(0.01718)

DIRECTORS' REPORT

Remuneration of key management personnel

	Short-term employee benefits				Postemployment benefits	Share-based payment	Total
	Salary & fees	Bonus	Non-monetary	Other	Superannuation	Options	
	\$	\$	\$	\$	\$	\$	\$
2014 Directors							
Patrick Corr ^{(1)*}	20,000	-	-	-	1,838	-	21,838
Trevor Gosatti ⁽²⁾	-	-	-	-	-	-	-
James Robinson ^{(3)*}	108,000	-	-	144,000	-	-	252,000
Brett Matich ^{(4)*}	139,097	-	-	22,329	-	-	161,426
Sean McGrath ⁽⁵⁾	-	-	-	-	-	-	-
	267,097	-	-	166,329	1,838	-	435,264
2013 Directors							
Patrick Corr ⁽¹⁾	20,000	-	-	-	-	-	20,000
Trevor Gosatti ⁽²⁾	-	-	-	-	-	-	-
Santino Di Giacomo	8,030	-	-	-	-	-	8,030
Keith Bowker	-	-	-	45,500	-	-	45,500
James Robinson ⁽³⁾	36,000	-	-	72,000	-	-	108,000
Brett Matich ⁽⁴⁾	-	-	-	-	-	-	-
	64,030	-	-	117,500	-	-	181,530

* In order to preserve the Group's limited cash reserves, it was agreed to accrue payments to Cicero Corporate Services Pty Ltd ("Cicero") and Non-Executive directors for the period 1 January to 30 June 2014. Fees remain unsettled at a rate of 50% from January to March 2014 and 100% from 1 April to current. All outstanding fees will be paid at a time that the Group raises sufficient capital to enable payment.

(1) Appointed 7 March 2012. Actual Non-Executive director fees received by Mr Corr during the 2014 FY were \$12,500.

(2) In order to conserve the Company's limited cash reserves, it was agreed to cease payments to the Managing Director as from 1 April 2012.

(3) Appointed 21 January 2013. Salary and fees relate to consultancy fees. Balance due to Mr Robinson at year-end amounts to \$44,550. Amounts in 'Other' represent a monthly fee of \$12,000 (exc. GST) paid to Cicero, a company related to Mr Robinson for corporate administration services financial reporting, company secretarial services and administrative operations. Balance due to Cicero at year-end amounts to \$59,413.

(4) Appointed 23 May 2013. Salary and fees relate to consultancy fees. Balance due to Mr Matich at year-end amounts to \$50,020. Amounts in 'Other' represent a monthly fee of CAD \$2,100 paid to 0937614 BC Ltd, a company related to Mr Matich for rental fees in Canada.

(5) Appointed 20 January 2014.

Bonuses

No bonuses were paid to key management personnel during the financial year (2013: \$NIL).

Incentive share-based payments arrangements

During the financial year, there were no share-based payment arrangements in existence (2013: NIL).

No shares were issued during the financial year to directors or key management personnel as a result of exercising remuneration options (2013: NIL).

Key terms of employment contract

Remuneration and other terms of employment for the Managing Director and other key management personnel are formalised in individual contracts of employment. The principal components of this contract of employment are as follows:

Trevor Gosatti - Managing Director Employment Contract

- Term of agreement – on-going commencing 1 January 2007.
- Base salary, inclusive of superannuation, for the year ended 30 June 2014 was to be \$200,000 (2013: \$200,000). In order to conserve the Group's limited cash reserves, it was agreed to cease payments to the Managing Director from 1 April 2012 until further notice or agreement, and accordingly he received \$NIL this financial year.
- Agreement can be terminated by 3 months' notice or through mutual agreement.
- On 14 August 2014 Mr Gosatti resigned as a director of the Company and agreed to the termination of the Employment Contract effective immediately.

Key terms of employment contract (cont'd)

James Robinson - Consultancy Services Agreement

- Term of agreement – two years commencing 21 January 2013.
- Agreement can be terminated by 3 months' notice or through mutual agreement.
- Base Consultant's fees, for the year ended 30 June 2014 was \$108,000 (exc. GST).
- In order to preserve the Group's limited cash reserves, it was agreed to accrue payments to Non-Executive directors for the period 1 January to 30 June 2014. Fees remain unsettled at a rate of 50% from January to March 2014 and 100% from 1 April to current. All outstanding fees will be paid at a time that the Group raises sufficient capital to enable payment.
- Actual Non-Executive director fees received by Mr Robinson during the 2014 FY were \$67,500 (exc. GST).
- Effective from August 2014, Mr Robinson has agreed to the termination of the Consultancy Services Agreement.

Adoption of remuneration report by shareholders

The adoption of the remuneration report for the financial year ended 30 June 2013 was put to the shareholders of the Company at the Annual General Meeting (AGM) held on 27 November 2013. All proxies received were in favour of the resolution and the resolution was passed without amendment on a show of hands. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

This is the end of the audited remuneration report.

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

On behalf of the directors



Andrew Haythorpe
Chairman

Perth, 26 August 2014

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Vortex Pipes Limited

In relation to the independent audit of Vortex Pipes Limited and its controlled entity for the year ended 30 June 2014, to the best of my knowledge and belief there have been:

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

Pitcher Partners Corporate & Audit (WA) Pty Ltd

PITCHER PARTNERS CORPORATE & AUDIT (WA) PTY LTD

C P Leong

C.P. LEONG

Executive Director

Perth, 26 August 2014

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY**

Report on the Financial Report

We have audited the accompanying consolidated financial report of Vortex Pipes Limited (the "Company"), and its controlled entity (together the "Group") which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the consolidated financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 3, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the consolidated financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY**

Opinion

In our opinion:

- (a) the consolidated financial report of Vortex Pipes Limited and its controlled entity is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial report also complies with *International Financial Reporting Standards* as disclosed in Note 3.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 16 of the directors' report for the year ended 30 June 2014. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Vortex Pipes Limited and its controlled entity for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

Pitcher Partners Corporate & Audit (WA) Pty Ltd

PITCHER PARTNERS CORPORATE & AUDIT (WA) PTY LTD

C P Leong

C P LEONG
Executive Director

Perth, 26 August 2014

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 21 to 45 in accordance with the *Corporations Act 2001*:

- (a) Comply with Accounting Standards and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements;
- (b) As stated in Note 3 the consolidated financial statements also comply with International Financial Reporting Standards; and
- (c) Give a true and fair view of the financial position of the consolidated entity as at 30 June 2014 and of its performance for the year ended on that date.

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

This declaration has been made after receiving the declaration required to be made by the managing director to the directors in accordance with sections 295A of the *Corporations Act 2001* for the financial year ended 30 June 2014.

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



Andrew Haythorpe
Chairman

Perth, 26 August 2014

VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2014

	Notes	2014 \$	2013 \$
CONTINUING OPERATIONS			
Other income	5	5,813	18,950
Total continuing operations		5,813	18,950
EXPENSES			
Research and development costs, materials and consultants fees		(214,011)	-
Directors' fees, salaries, superannuation and consulting costs		(274,214)	(91,248)
Depreciation expenses		(8,858)	(11,943)
Public company costs, fees, share registry, shareholder costs		(24,604)	(19,566)
Occupancy costs		(39,491)	(37,935)
Legal fees		(5,459)	(43,891)
Audit fees		(20,588)	(2,451)
Insurances		(14,394)	(22,036)
Interest expenses		(815)	3,332
Other expenses from ordinary activities		(100,319)	(45,832)
Corporate fees		(144,000)	(123,836)
Total expenses		(846,753)	(395,407)
Loss before tax	6	(840,940)	(376,457)
Income tax benefit	7	-	-
Loss for the year from continuing operations		(840,940)	(376,457)
Other comprehensive expense			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive expense for the year		(840,940)	(376,457)
Loss attributable to:			
Owners of the Company		(840,940)	(376,457)
Non-controlling interests		-	-
		(840,940)	(376,457)
Total comprehensive expense attributable to:			
Owners of the Company		(840,940)	(376,457)
Non-controlling interests		-	-
		(840,940)	(376,457)
Loss per share			
From continuing and discontinuing operations			
Basic and diluted (cents per share)	8	(0.00027)	(0.00017)

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 25 to 45.

VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2014

	Notes	2014 \$	2013 \$
Current assets			
Cash and cash equivalents	21	27,479	522,446
Trade and other receivables	9	11,277	12,190
Other current assets	10	-	121,589
Total current assets		38,756	656,225
Non-current assets			
Plant and equipment	11	24,133	44,770
Intangible assets	12	-	-
Total non-current assets		24,133	44,770
Total assets		62,889	700,995
Current liabilities			
Trade and other payables	13	294,887	186,053
Total current liabilities		294,887	186,053
Total liabilities		294,887	186,053
Net assets		(231,998)	514,942
Equity			
Issued capital	14	9,811,391	9,811,391
Reserves	15	657,097	563,097
Accumulated losses		(10,700,486)	(9,859,546)
Total equity		(231,998)	514,942

The consolidated statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 25 to 45.

VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2014

	Share Capital \$	Option Premium Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2012	9,022,123	563,097	(9,483,089)	102,131
Comprehensive expense for the year				
Loss for the year	-	-	(376,457)	(376,457)
Total comprehensive expense for the year	-	-	(376,457)	(376,457)
Issue of shares	846,658	-	-	846,658
Share issue costs	(57,390)	-	-	(57,390)
Balance at 30 June 2013	9,811,391	563,097	(9,859,546)	514,942
Balance at 1 July 2013	9,811,391	563,097	(9,859,546)	514,942
Comprehensive expense for the year				
Loss for the year	-	-	(840,940)	(840,940)
Total comprehensive expense for the year	-	-	(840,940)	(840,940)
Issue of options	-	100,000	-	100,000
Option issue costs	-	(6,000)	-	(6,000)
Balance at 30 June 2014	9,811,391	657,097	(10,700,486)	(231,998)

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 25 to 45.

VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June 2014

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Payments to suppliers and employees		(593,965)	(520,946)
Interest received		5,813	8,814
Interest paid		(815)	-
Net cash used by operating activities	21	(588,967)	(512,132)
Cash flows from investing activities			
Proceeds from disposal of plant and equipment		-	52,477
Net cash generated by investing activities		-	52,477
Cash flows from financing activities			
Proceeds from issues of shares		-	846,658
Payments of share issue costs		-	(38,643)
Proceeds from issue of options		100,000	-
Payment for option issue costs		(6,000)	-
Repayment of loans		-	(40,147)
Net cash generated by financing activities		94,000	767,868
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		522,446	214,233
Cash and cash equivalents at the end of the year	21	27,479	522,446

The consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 25 to 45.

VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

1. General information

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

2. Application of new and revised Accounting Standards

2.1 New and revised standards that are effective for annual periods beginning on or after 1 July 2013

A number of new and revised standards are effective for annual period beginning on or after 1 July 2013. Information on these new standards that are relevant to the Company is presented below.

AASB 10 Consolidated Financial Statements

AASB 10 supersedes AASB 127 *Consolidated and Separate Financial Statements* (AASB 127) and AASB Interpretation 112 *Consolidation - Special Purpose Entities*. AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore to change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

Management has reviewed its control assessments in accordance with AASB 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

AASB 11 Joint Arrangements

AASB 11 supersedes AASB 131 *Interests in Joint Ventures* (AAS 131) and AASB Interpretation 113 *Jointly Controlled Entities- Non-Monetary-Contributions by Venturers*. AASB 11 revises the categories of joint arrangement, and the criteria for classification into the categories, with the objective of more closely aligning the accounting with the investor's rights and obligations relating to the arrangement. In addition, AASB 131's option of using proportionate consolidation for arrangements classified as jointly controlled entities under that Standard has been eliminated. AASB 11 now requires the use of the equity method for arrangements classified as joint ventures (as for investments in associates).

The Group is not currently involved in any joint arrangements under the scope of AASB 11.

AASB 12 Disclosure of interests in Other Entities

AASB 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities. Interest in subsidiaries is disclosed in Note 18. The Group has no interests in unconsolidated structured entities and no subsidiary with material non-controlling interests.

Consequential amendments to AASB 127 Separate Financial Statements and

AASB 128 Investments in Associates and Joint Ventures

AASB 127 now only addresses separate financial statements. AASB 128 brings investments in joint ventures into its scope. However, AASB 128's equity accounting methodology remains unchanged.

2.2 Accounting standards issued but not yet effective

The AASB has issued new standards, amendments and interpretations to existing standards which have been published but are not yet effective, and have not yet been adopted early by the Group. The new standards, amendments and interpretations that may be relevant to the Group's financial statements are provided below.

VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

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

2.2 Accounting standards issued but not yet effective (cont'd)

Standard / Interpretation	Effective for annual reporting periods beginning on or after
AASB 9 <i>Financial Instruments</i> and AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	1 January 2017
AASB 2013-9 <i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i>	Part A Conceptual Framework - 20 December 2013 Part B Materiality - 1 January 2014 Part C Financial Instruments - 1 January 2015

3. Significant accounting policies

3.1. Statement of compliance

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

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

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

The financial statements were authorised for issue by the directors on 26 August 2014.

3.2. Basis of preparation

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

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

3.3. Going concern basis

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

The Group has incurred a net loss after tax for the year ended 30 June 2014 of \$840,940 (2013: loss \$376,457), and a net cash outflow from operations of \$588,967 (2013: \$512,132). At 30 June 2014, the Group has net current liabilities of \$256,131 (2013: \$470,172 net current assets) and net equity of (\$231,998) (2013: \$514,942).

VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

3. Significant accounting policies (cont'd)

3.3. Going concern basis (cont'd)

The Group's ability to continue as a going concern and pay its debts as and when they fall due is dependent upon the following:

- a) On 18 August 2014 the Company raised \$392,500 from various sophisticated investors to subscribe for 785 million shares at an average subscription price of \$0.0005;
- b) The Board has resolved to undertake a Share Purchase Plan for existing shareholders to subscribe for up to \$15,000 worth of shares at an issue price of \$0.01 (on a post consolidation basis). Subject to the receipt of shareholder approval, it is planned the SPP will raise up to a maximum raise of \$1,000,000;
- c) Subject to the receipt of shareholder approval, the Board has resolved to issue each of Mr Karelis and Mr Haythorpe 10,000,000 shares at a price of \$0.01 with 10,000,000 attaching unlisted options exercisable at \$0.025, expiring 31 August 2018 (on a post consolidation basis). This will raise a total of \$200,000;
- d) Subsequent to year-end, the outstanding amounts owed by the Group to the Directors as at 30 June 2014 have been settled fully or subject to the receipt of shareholder approval, agreed to be settled by shares with unlisted options (on a post consolidation basis); and
- e) The directors will not collect any fees or payments for their services and Cicero Corporate Services Pty Ltd, a related entity of Mr James Robinson, will not collect the monthly corporate administration services fees if the Group is not in a position to pay the fees.

The Directors have reviewed the business outlook and cash flow forecasts after taking into account the above matters and are of the opinion that the use of the going concern basis of accounting is appropriate as the Directors believe the Group will achieve the matters set out above and be able to pay its debts as and when they fall due.

The financial statements are normally prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the Group has neither the intention nor the need to liquidate or curtail materially the scale of its operations; if such an intention or need exists, the financial statements may have to be prepared on a different basis and, if so, the basis used is disclosed.

3.4. Basis of consolidation

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

Income and expense of subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Total comprehensive income of subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiary to bring its accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

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

VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
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3. Significant accounting policies (cont'd)

3.4. Basis of consolidation (cont'd)

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

(a) Intangibles

Patents, trademarks, core technologies and licences

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

(b) Revenue recognition

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

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

Interest revenue

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

(c) Leases

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

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

(d) Foreign currencies

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

VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

3. Significant accounting policies (cont'd)

3.4. Basis of consolidation (cont'd)

(e) Borrowing costs

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

(f) Share-based payments

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

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

(g) Taxation

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

Current tax

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

Deferred tax

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

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

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

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

VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

3. Significant accounting policies (cont'd)

3.4. Basis of consolidation (cont'd)

(g) Taxation (cont'd)

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

Current and deferred tax for the year

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

(h) Plant and equipment

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

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

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

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

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

(i) Financial instruments

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

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

Derecognition

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

VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

3. Significant accounting policies (cont'd)

3.4. Basis of consolidation (cont'd)

(i) Financial instruments (cont'd)

Classification and Subsequent Measurement

Loans and receivables

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

Available-for-sale financial assets

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

Financial Liabilities

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

(j) Goods and services tax

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

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

(k) Cash and cash equivalents

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

(l) Impairment of non-financial assets

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

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

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

VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

3. Significant accounting policies (cont'd)

3.4. Basis of consolidation (cont'd)

(m) Contributed equity

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

(n) Earnings per share

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

(o) Comparative amounts

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

4. Critical accounting judgements and key sources of estimation uncertainty

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

Carrying value of Technology rights and capitalised patent expenditure

Tests are conducted annually by the Company to determine whether the carrying value of Technology rights and capitalised patent expenditure has suffered any impairment, in accordance with the accounting policy stated in notes 3.4(a) and 3.4(l). At 30 June 2009, the Group fully provided for the remaining carrying values of all intangible assets, owing to the significant uncertainty for future operations. No adjustment to those provisions was made at 30 June 2014 (2013: \$NIL).

Deferred Tax Assets

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

5. Revenue

Operating Activities

	2014 \$	2013 \$
Sales		
Other Income		
Interest received	5,813	8,814
Profit on sale of assets	-	10,136
	5,813	18,950

6. Loss for the year

Loss for the year has been arrived at after charging:

	2014 \$	2013 \$
Audit fees	20,558	26,000
(Profit)/Loss on disposal or write-off of plant and equipment	11,779	(10,136)

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7. Income taxes

Income tax recognised in profit or loss

	2014 \$	2013 \$
Current tax	-	-
Deferred tax	-	-
	-	-

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

Loss before tax	(840,940)	(376,457)
Income tax expense/(benefit) calculated at 30% (2013: 30%)	(252,282)	(112,937)
Adjustment in respect of previous current income tax	(14,258)	-
Effect of expenses that are not deductible on determining taxable profit/(loss)	56,225	8,131
Other deductible items	(15,159)	(9,607)
Utilisation of prior year losses	-	-
Effect of unused tax losses not recognised as deferred tax assets	225,474	114,413
Income tax expense in consolidated statement of comprehensive income	-	-

The tax rate used for the 2014 and 2013 tax reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

Tax Losses

Deferred tax assets on the unused 2014 revenue tax loss of \$7,037,567 (2013: \$6,285,986) and 2014 capital tax loss of \$169,199 (2013: \$0) has not been recognised as the future recovery of these losses is subject to the Group satisfying the requirements imposed by the regulatory authorities. The benefit of deferred tax assets not brought to account will only be brought to account if:

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

Unrecognised deferred tax assets

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

	2014 \$	2013 \$
Capital raising costs recognised directly in equity	19,476	25,962
Revenue income tax losses not brought to account at 30%	2,111,270	1,880,456
Capital income tax losses not brought to account at 30%	50,760	-
Other temporary differences	137,250	15,842
Unrecognised deferred tax assets relating to the above temporary differences	2,318,756	1,922,260

8. Loss per share

Basic loss per share

	2014 Cents per share	2013 Cents per share
From continuing operations	(0.00027)	(0.00017)
From discontinued operations	-	-
Total basic loss per share	(0.00027)	(0.00017)

VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
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8. Loss per share (cont'd)

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

	2014 \$	2013 \$
Loss for the year from continuing operations	(840,940)	(376,457)
Profit for the year from discontinued operations	-	-
Loss for the year	<u>(840,940)</u>	<u>(376,457)</u>
	No.	No.
Weighted average number of ordinary shares for the purposes of basic loss per share	<u>3,141,972,236</u>	<u>2,190,717,214</u>

Diluted loss per share

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

	No.	No.
Unlisted options exercisable at \$0.00125 on or before 25 October 2015	<u>3,125,000,000</u>	<u>1,500,000,000</u>

9. Trade and other receivables

	2014 \$	2013 \$
Trade debtors	386,847	386,847
Provision for impairment (i)	(386,847)	(386,847)
Sundry debtors and prepayments	11,277	12,190
	<u>11,277</u>	<u>12,190</u>

(i) As at 30 June 2013, current trade receivables of the Group with a value of \$386,847 were impaired. The amount of the provision was \$386,847. The impairment relates to a single trade debtor and although it is considered that a portion, of that debt will be recovered, a provision has been made because of the uncertainty of the matter.

Trade receivables past due but not impaired

There were no other trade receivables past due but not impaired (2013: \$NIL).

Fair value and credit risk

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

10. Other current assets

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

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

	2014 \$	2013 \$
Balance at the beginning of the year	121,589	-
Additions	19,171	121,589
Total	<u>140,760</u>	<u>121,589</u>
Less: Impairment loss	(140,760)	-
Balance at the end of the year	<u>-</u>	<u>121,589</u>

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11. Plant and equipment

	2014 \$	2013 \$
Plant and equipment at cost	379,838	379,838
Accumulated depreciation and impairment	(373,668)	(372,340)
	6,170	7,498
Motor vehicles at cost	85,972	159,971
Accumulated depreciation	(68,341)	(123,248)
	17,631	36,723
Office equipment at cost	64,596	64,596
Accumulated depreciation	(64,596)	(64,596)
	-	-
Office furniture at cost	17,991	17,991
Accumulated depreciation	(17,659)	(17,442)
	332	549
	24,133	44,770

Movement in Carrying Amounts:

	Plant & Equipment \$	Motor Vehicles \$	Office Furniture \$	Office Equipment \$	Total \$
Carrying amount at 30 June 2012	9,372	88,026	925	731	99,054
Disposals	-	(42,341)	-	-	(42,341)
Depreciation expense	(1,874)	(8,962)	(925)	(182)	(11,943)
Carrying amount at 30 June 2013	7,498	36,723	-	549	44,770
Disposals/write-off	-	(11,779)	-	-	(11,779)
Depreciation expense	(1,328)	(7,313)	-	(217)	(8,858)
Carrying amount at 30 June 2014	6,170	17,631	-	332	24,133

12. Intangible assets

	2014 \$	2013 \$
Technology rights at cost	500,000	500,000
Capitalised patent expenditure at cost	548,022	548,022
Accumulated amortisation – technology rights and patent	(425,759)	(425,759)
Amount written off – technology rights and patent	(622,263)	(622,263)
	-	-
Licence and know-how at cost	400,100	400,100
Accumulated amortisation – licence	(140,000)	(140,000)
Amount written off – licence	(260,100)	(260,100)
	-	-
Goodwill at cost	49,998	49,998
Amount written off – goodwill	(49,998)	(49,998)
	-	-

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for the year ended 30 June 2014

13. Trade and other payables

	2014 \$	2013 \$
Current		
Unsecured trade creditors	168,957	19,333
Sundry creditors and accruals	125,930	166,720
	294,887	186,053

14. Issued capital

	2014 \$	2013 \$
3,141,972,236 fully paid ordinary shares (2013: 3,141,972,236)	9,811,391	9,811,391

	2014		2013	
	No.	\$	No.	\$
Fully paid ordinary shares				
Balance at beginning of year	3,141,972,236	9,811,391	1,753,888,901	9,022,123
Shares issued at \$0.0007 per share	-	-	763,083,335	534,158
Shares issued at \$0.0005 per share	-	-	625,000,000	312,500
Share issue costs	-	-	-	(57,390)
Balance at end of year	3,141,972,236	9,811,391	3,141,972,236	9,811,391

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

Share options on issue

Share options issued by the Company carry no rights to dividends and no voting rights.

As at 30 June 2014, the Company has 3,125,000,000 share options on issue (2013: 1,500,000,000) exercisable on a 1:1 basis for 3,125,000,000 shares (2013: 1,500,000,000) at an exercise price of \$0.00125 cents. The options expire on 25 October 2015. During the year no options were converted into shares (2013: NIL).

15. Reserves

	2014 \$	2013 \$
Option reserve	563,097	563,097
Options issued during the year	94,000	-
Balance at end of the financial year	657,097	563,097

The reserve arises on the grant of share options to executives, employees, consultants and advisors. They also arise upon issue of options to shareholders or buyers. Amounts are transferred out of reserve and into accumulated losses when options expire or lapse. Further information about options is made in note 17 to the financial statements.

16. Financial instruments

Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2013.

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

VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY
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16. Financial instruments (cont'd)

Financial risk management objectives

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

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

Interest rate risk

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

Interest rate sensitivity analysis

An increase of 50 basis points in interest rates (all other variables remaining constant) would have decreased the Group's loss by \$137 (2013: \$2,612). Where interest rates decreased, there would be an equal and opposite impact on the loss.

Fair value of financial assets and liabilities

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

Liquidity risk

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

	Contractual cash flows				Total contractual cash flows \$
	Carrying amount \$	<6 months \$	>6-12 months \$	>12 months \$	
2014					
Financial assets					
Cash and cash equivalents	27,479	27,479	-	-	27,479
Trade and other receivables	11,277	-	11,277	-	11,277
	38,756	2,7479	11,277	-	38,756
Financial liabilities					
Trade and other payables	294,887	294,887	-	-	294,887
	294,887	294,887	-	-	294,887
2013					
Financial assets					
Cash and cash equivalents	522,446	522,446	-	-	522,446
Trade and other receivables	12,190	-	12,190	-	12,190
	534,636	522,446	12,190	-	534,636
Financial liabilities					
Trade and other payables	186,053	186,053	-	-	186,053
	186,053	186,053	-	-	186,053

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for the year ended 30 June 2014

16. Financial instruments (cont'd)

Credit risk

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

Impairment losses

At the end of the period the Board decided not to pursue the Snelgrove DSO iron ore project and allowed the option to lapse. As such, as at 30 June 2014 the Group has recorded an impairment of \$140,760 (2013:\$386,847) against its other current assets. Refer to note 10 for an analysis of the impaired loss.

At risk amounts are as follows:

Financial assets

Cash and cash equivalents
Trade and other receivables

	2014 \$	2013 \$
Cash and cash equivalents	27,479	522,446
Trade and other receivables	11,277	12,190
	38,756	534,636

Fair value measurements

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

17. Share options

Each option issued converts into one ordinary share of Vortex Pipes Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. Options neither carry rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

On 8 November 2013 the Company issued 625,000,000 options following shareholder approval received in August 2013. These options were free attaching to the share placement completed in June 2013 and are exercisable at \$0.00125 cents. The options will expire on 25 October 2015. A concurrent issue of 1,000,000,000 options occurred by means of a placement to raise \$100,000 (before costs of the offer) on the same terms as the existing options in the Company.

Movements in share options during the year

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

	2014		2013	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Balance at beginning of the year	1,500,000,000	0.00125	1,000,000,000	0.00125
Granted during the year	1,625,000,000	0.00125	500,000,000	0.00125
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Balance at end of the year	3,125,000,000	0.00125	1,500,000,000	0.00125
Exercisable at end of the year	3,125,000,000	0.00125	1,500,000,000	0.00125

VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

17. Share options (cont'd)

Share options exercised during the year

No share options were exercised during the financial year (2013: NIL).

Share options outstanding at the end of the year

The share options of 3,125,000,000 outstanding at the end of the year had a weighted average exercise price of \$0.00125 (2013: \$0.00125) and a weighted average remaining contractual life of 730 days (2013: 1,461 days).

18. Subsidiary

Entity	Incorporation	2014 Ownership	2013 Ownership
Premium Pipe Services Pty Ltd	Australia	100%	100%

	2014 \$	2013 \$
Investment in controlled entity	1,162,362	1,162,362
Provision for impairment	(1,162,362)	(1,162,362)
	-	-

19. Key management personnel compensation

Details of key management personnel

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

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

Key management personnel compensation

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

	2014 \$	2013 \$
Short-term employee benefits*	267,097	64,030
Other benefits* (i)	166,329	117,500
	435,264	181,530

* In order to preserve the Group's limited cash reserves, it was agreed to accrue payments to Cicero Corporate Services Pty Ltd ("Cicero") and Non-Executive directors for the period 1 January to 30 June 2014. Fees remain unsettled at a rate of 50% from January to March 2014 and 100% from 1 April to current. All outstanding fees will be paid at a time that the Group raises sufficient capital to enable payment.

(i) A monthly fee of \$12,000 (exc. GST) paid to Cicero Corporate Services Pty Ltd, a company related to Mr Robinson for corporate administration services including financial reporting, company secretarial services and administrative operations. Balance due to Cicero at year-end amounts to \$59,413.

A monthly fee of CAD 2,100 was paid to 0937614 BC Ltd, a company related to Mr Matich for rental fees related to the Snelgrove project in Canada.

Financial reporting, company secretarial services and director fees were paid to Somerville Corporate Pty Ltd, a company related to Mr Bowker in the 2013 FY up to the date of his resignation; 2014: \$NIL (2013: \$45,500) (exc. GST). These services were provided on a month to month basis.

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

VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

19. Key management personnel compensation (cont'd)

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

	Short-term employee benefits				Postemployment benefits	Share-based payment	Total
	Salary & fees	Bonus	Non-monetary	Other	Superannuation	Options	
	\$	\$	\$	\$	\$	\$	\$
2014 Directors							
Patrick Corr ^{(1) *}	20,000	-	-	-	1,838	-	21,838
Trevor Gosatti ⁽²⁾	-	-	-	-	-	-	-
James Robinson ^{(3) *}	108,000	-	-	144,000	-	-	252,000
Brett Matich ^{(4) *}	139,097	-	-	22,329	-	-	161,426
Sean McGrath ⁽⁵⁾	-	-	-	-	-	-	-
	267,097	-	-	166,329	1,838	-	435,264
2013 Directors							
Patrick Corr ⁽¹⁾	20,000	-	-	-	-	-	20,000
Trevor Gosatti ⁽²⁾	-	-	-	-	-	-	-
Santino Di Giacomo	8,030	-	-	-	-	-	8,030
Keith Bowker	-	-	-	45,500	-	-	45,500
James Robinson ⁽³⁾	36,000	-	-	72,000	-	-	108,000
Brett Matich ⁽⁴⁾	-	-	-	-	-	-	-
	64,030	-	-	117,500	-	-	181,530

* In order to preserve the Group's limited cash reserves, it was agreed to accrue payments to Cicero Corporate Services Pty Ltd ("Cicero") and Non-Executive directors for the period 1 January to 30 June 2014. Fees remain unsettled at a rate of 50% from January to March 2014 and 100% from 1 April to current. All outstanding fees will be paid at a time that the Group raises sufficient capital to enable payment.

(1) Appointed 7 March 2012. Actual Non-Executive director fees received by Mr Corr during the 2014 FY were \$12,500.

(2) In order to conserve the Company's limited cash reserves, it was agreed to cease payments to the Managing Director as from 1 April 2012.

(3) Appointed 21 January 2013. Salary and fees relate to consultancy fees. Balance due to Mr Robinson at year-end amounts to \$44,550. Amounts in 'Other' represent a monthly fee of \$12,000 (exc. GST) paid to Cicero, a company related to Mr Robinson for corporate administration services financial reporting, company secretarial services and administrative operations. Balance due to Cicero at year-end amounts to \$59,413.

(4) Appointed 23 May 2013. Salary and fees relate to consultancy fees. Balance due to Mr Matich at year-end amounts to \$50,020. Amounts in 'Other' represent a monthly fee of CAD \$2,100 paid to 0937614 BC Ltd, a company related to Mr Matich for rental fees in Canada.

(5) Appointed 20 January 2014.

20. Related party transactions

The immediate parent and ultimate controlling party of the Group is Vortex Pipes Limited.

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

20.1. Loans to related parties

	2014	2013
	\$	\$
Loans to subsidiary	2,504,224	2,504,224
Provision for impairment	(2,504,224)	(2,504,224)
	-	-

Loans are made by the parent entity, Vortex Pipes Limited, to its subsidiary for working capital purposes. The loans outstanding between the parent entity and its subsidiary have no fixed date of repayment and are non-interest bearing.

VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

20. Related party transactions (cont'd)

20.2. Other related party transactions

Under an engagement letter dated 1 January 2013, Cicero Corporate Services Pty Ltd ("Cicero"), a company related to Mr Robinson, agreed to provide corporate administration services to Vortex Pipes Limited for a monthly fee of \$12,000 (exc. GST) and an annual fee of \$144,000 (exc. GST). Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms. In order to preserve the Group's limited cash reserves, it was agreed to accrue payments to Cicero for the period 1 January to 30 June 2014. Fees remain unsettled at a rate of 50% from January to March 2014 and 100% from 1 April to current. All outstanding fees will be paid at a time that the Group raises sufficient capital to enable payment. Balance due to Cicero at year-end amounts to \$59,413.

During the year \$22,329 (exc. GST) was paid to 0937614 BC Limited, a company related to Mr Brett Matich, for rental fees related to the Snelgrove project. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms. No amounts were outstanding at year-end.

Equity interests in related parties

Equity interests in subsidiary

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

Transactions with key management personnel

Key management personnel compensation

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

Key management personnel equity holdings

Fully paid ordinary shares of Vortex Pipes Limited

	Balance at 1 July No.	Acquired No.	Net other change (i) No.	Held on resignation No.	Balance at 30 June No.
2014	-				
Patrick Corr	-	-	-	-	-
Trevor Gosatti	45,630,940	-	-	-	45,630,940
James Robinson	84,015,707	5,984,293	-	-	90,000,000
Brett Matich	5,000,000	124,772,957	-	-	129,772,957
Sean McGrath ⁽¹⁾	-	-	-	-	-
2013					
Patrick Corr	-	-	-	-	-
Trevor Gosatti	45,630,940	-	-	-	45,630,940
Santino Di Giacomo	13,861,090	-	-	13,861,090	13,861,090
Keith Bowker	-	-	-	-	-
James Robinson	-	84,015,707	-	-	84,015,707
Brett Matich	-	5,000,000	-	-	5,000,000

(1) Appointed 20 January 2014

Share options of Vortex Pipes Limited

No options were held directly, indirectly or beneficially by key management personnel and their related parties during the year ended 30 June 2014 (2013: NIL).

VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

21. Cash and cash equivalents

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

	2014 \$	2013 \$
Cash and bank balances	27,479	522,446
(a) Reconciliation of (loss)/profit for the year to net cash flows from operating activities		
(Loss)/profit for the year	(840,940)	(376,457)
Non-cash items		
Depreciation	8,858	11,943
(Loss)/profit on disposal or write-off of plant and equipment	11,779	(10,136)
Share based payments	-	-
Debt forgiveness	-	-
	(820,303)	(374,650)
Movements in working capital		
(Increase) in prepayments	913	(4,829)
(Increase) in other current assets	121,589	(121,589)
(Decrease) in trade and other payables	108,834	(11,064)
Net cash used in operating activities	(588,967)	(512,132)

(b) Non-cash transactions

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

22. Contingent liabilities and contingent assets

During the period the Company received a claim from German based supplier for an amount of €22,161.73 (AUD 34,229). The claim appears to date back to dealing with Premium Pipe Services Pty Ltd, a 100% wholly owned subsidiary of Vortex Pipes Ltd, in 2009. The Company has been advised by its legal representatives that the claim is vague and appears to be misconceived and without merit. The Company intends to maintain its dispute of this claim.

23. Commitments

	Corporate Fees	James Robinson Consultancy Fees
Agreement Start date	1/01/2013	1/01/2013
Expiry date	n/a	1/01/2015
Monthly amount	12,000.00	9,000.00
Terms of agreement	Termination notice 180 days	2 years
Within 12 months to June 2015	72,000	54,000
Within 2 <5 years	-	-
Total	72,000	54,000
Total Commitment		126,000

VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

24. Remuneration of auditors

	2014 \$	2013 \$
Auditor of the Group		
Pitcher Partners Corporate & Audit (WA) Pty Ltd		
Audit and review of the financial statements	25,213	26,000
	25,213	26,000

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

In addition fees were paid to Pitcher Partners (WA) Pty Ltd for taxation services of \$1,020 (2013: \$7,874).

25. Segment information

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

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

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

26. Dividend

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

27. Events after the reporting period

The ShieldLiner System

On 14 August 2014, the Company announced that it had executed a Letter of Intent ("LOI") with Noor Energy Corporation ("Noor") for Noor to be granted an exclusive option to acquire all of the assets and intellectual property of the ShieldLiner System (the "Acquisition"). The Acquisition will be made by way of a plan of arrangement between the companies and result in the Canadian registered Holding Company ("Holding Company") of the ShieldLiner System becoming listed on the Canadian Securities Exchange ("CSE").

Following the execution of the two year Technology Non-Disclosure Agreement with The Kelley Group in January, the parties have continued due diligence investigations into opportunities for ongoing development and deployment of the ShieldLiner System into the US market. Feedback received from various parties interested in the ShieldLiner System has led the Company to conclude that a North American listing of the ShieldLiner System is the preferred way in which to attract ongoing development capital.

It is proposed that the ongoing development capital will be used for the building of an updated ShieldLiner System by a US engineering firm, in conjunction with updated patent applications relating to ShieldLiner Generation II. The ShieldLiner Generation II design will be engineered for distribution to potential strategic investors related to the water, oil and gas pipeline rehabilitation sectors in the US and around the world.

The consideration for the Acquisition will be 15 million shares in the Holding Company at a deemed issue price of CAD\$0.10 per share or CAD\$1,500,000. It is envisaged the 15 million shares will represent approximately 51.7% of the issued capital of the Holding Company, thus providing Vortex and its shareholder a highly leveraged ongoing exposure to the development of the ShieldLiner System yet alleviating the Company of the ongoing funding requirements.

VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

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

The ShieldLiner System (cont'd)

The Acquisition is conditional upon the satisfaction of various conditions precedent including but not limited to due diligence by the parties on each other, an initial capital raising by Noor/the Holding Company of not less than CAD\$700,000, receipt of all third party and regulatory approvals, shareholder approvals and the CSE confirming the securities of the Holding Company will be admitted to trading on the CSE.

Shareholder approval for the purposes of Listing Rule 11.2 and 11.4 will be sought with respect to the Acquisition. It is expected that these resolutions will be put at the upcoming AGM of the Company to be held in October 2014. The directors of the Company expect that if shareholder approval is obtained for the Acquisition, completion of the Acquisition will occur in the first half of 2015.

Further details in respect of the Acquisition will be included in the notice of meeting to be despatched to shareholders in due course.

Placement

Furthermore, the Company advised that it had received commitments from various sophisticated investors to subscribe for up to 785 million shares at an average subscription price of \$0.0005 to raise up to \$392,500 before costs of the issue. The shares were issued with a free attaching unlisted option (exercisable at \$0.00125, expiring 31 August 2018). The issue of the attaching options will be subject to the receipt of shareholder approval at a meeting to be held as soon as is practicable.

Share Consolidation

The Board resolved to seek shareholder approval for a consolidation of capital on a 20 for 1 basis. This will result in the various issues of shares referred to within this announcement having a post consolidation issue price of \$0.01 and the options a post consolidation exercise price of \$0.025.

Share Purchase Plan (SPP)

The Board also resolved to undertake a Share Purchase Plan for existing shareholders to subscribe for up to \$15,000 worth of shares at an issue price of \$0.01 (on a post consolidation basis). Subject to the receipt of shareholder approval, it is planned the SPP will raise up to a maximum raise of \$1,000,000. The shares will be issued with a one for five free attaching option (exercisable at \$0.025, expiring 25 October 2015). Subject to satisfaction of the listing requirements, the Company intends to apply to the ASX for this series of options to be listed.

Board Changes

As a result of the proposed listing of the ShieldLiner System on the CSE, Mr Brett Matich and Mr Trevor Gosatti resigned from the Board of Vortex to focus on the ShieldLiner System listing. Each of the above, along with Mr James Robinson are proposed to be Board members of the ShieldLiner System Holding Company. Mr Patrick Corr and Mr Sean McGrath also resigned as Directors of Vortex. The Company concurrently announced the appointments of Mr Andrew Haythorpe and Mr Harry Karelis as Directors.

Issue of Securities to Board Members

The Company advised that it will seek shareholder approval for Mr Haythorpe and Mr Karelis to subscribe for shares on the same terms as the placement. Approval will be sought for each of Mr Haythorpe and Mr Karelis to subscribe for \$100,000 worth of shares at \$0.01 - 10,000,000 shares on a post consolidation basis (with a free attaching unlisted option exercisable at \$0.025, expiring 31 August 2018).

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

VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

28. Parent entity information

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

	2014 \$	2013 \$
Statement of financial position		
Current assets		
Cash and bank balances	27,391	521,825
Trade and other receivables	11,277	12,190
Other current assets	-	121,589
Total current assets	38,668	655,604
Non-current assets		
Plant and equipment	-	-
Total non-current assets	-	-
Total assets	38,668	655,604
Current liabilities		
Trade and other payables	198,038	94,484
Total current liabilities	198,038	94,484
Total liabilities	198,038	94,484
Net assets/(deficiency)	(159,370)	561,120
Equity		
Issued capital	9,932,765	9,932,765
Reserves	657,097	563,097
Accumulated losses	(10,749,232)	(9,934,742)
Total equity/(deficiency)	(159,370)	561,120
Statement of comprehensive income		
Total (loss)/profit and comprehensive (expense)/income	(814,490)	(359,684)

The parent entity has the following commitments:

	Corporate Fees	James Robinson Consultancy Fees
Agreement Start date	1/01/2013	1/01/2013
Expiry date	n/a	1/01/2015
Monthly amount	12,000.00	9,000.00
Terms of agreement	Termination notice 180 days	2 years
Within 12 months to June 2015	72,000	54,000
Within 2 <5 years	-	-
Total	72,000	54,000
Total Commitment		126,000

29. Approval of financial statements

The consolidated financial statements were approved by the Board of directors and authorised for issue on 26 August 2014.

ADDITIONAL SECURITIES EXCHANGE INFORMATION for the year ended 30 June 2014

Additional securities exchange information as at 22 August 2014

Number of holders of equity securities

Ordinary share capital

3,962,972,236 fully paid ordinary shares are held by 822 individual shareholders.

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

Unlisted options

3,125,000,000 unlisted options are held by 30 individual option holders.

Options do not carry a right to vote.

Distribution of holders of equity securities

Spread of Holdings	Fully paid ordinary shares	Unlisted options
1 – 1,000	6	-
1,001 – 5,000	27	-
5,001 – 10,000	118	-
10,001 – 100,000	307	-
100,001 and over	364	30
	822	30
	<hr/>	
	547	-

Holding less than a marketable parcel

Substantial shareholders

Shareholder	Fully paid ordinary shares Number	Percentage of issued capital (%)
MOVIDO PTY LTD	210,000,000	5.35%
MOUNT STREET INVESTMENTS PTY LTD <THE M J BLAKE S/F A/C>	202,500,000	5.16%
OURO PTY LTD AND ANDREW + RAGEN HAYTHORPE <AJH SUPER A/C>	200,000,000	5.09%
	612,500,000	15.60%

ADDITIONAL SECURITIES EXCHANGE INFORMATION for the year ended 30 June 2014

Twenty (20) largest holders of quoted equity securities

Shareholder	Fully paid ordinary shares Number	Percentage of issued capital (%)
MOVIDO PTY LTD	210,000,000	5.35%
MOUNT STREET INVESTMENTS PTY LTD <THE MJ BLAKE S/F A/C>	202,500,000	5.16%
BAY STREET MINERAL CORP	156,000,000	3.97%
VENUS ANETAC PTY LTD <RGC FAMILY A/C>	149,500,000	3.81%
MR JOHN ANDREW RODGERS	140,000,000	3.57%
THE TRUST COMPANY (AUSTRALIA) LIMITED <MOF A/C>	140,000,000	3.57%
MR BRETT ROBERT MATICH	129,772,957	3.30%
MS JOANNE RUTH BURFORD	116,000,000	2.95%
DISTINCT RACING AND BREEDING PTY LTD	109,999,900	2.80%
AVANTE HOLDINGS PTY LTD	108,500,000	2.76%
MIKADO CORPORATION PTY LTD <JFC SUPER FUND A/C>	100,000,000	2.55%
OURO PTY LTD	100,000,000	2.55%
PENINSULA INVESTMENTS (WA) PTY LTD	100,000,000	2.55%
MR ANDREW JOHN HAYTHORPE & MRS RAGEN HAYTHORPE <AJH SUP...>	100,000,000	2.55%
ZERO NOMINEES PTY LTD	100,000,000	2.55%
CORPORATE PROPERTY SERVICES PTY LTD < KW SHARE A/C>	100,000,000	2.55%
CALAMA HOLDING PTY LTD	100,000,000	2.55%
ACP INVESTMENTS PTY LTD	80,000,000	2.04%
JUNIOR ENTERPRISES PTY LTD <SR PATERSON FAMILY A/C>	70,000,000	1.78%
MRS TONI MATHIESON FRANK	70,000,000	1.78%
	2,031,272,857	60.66%

Optionholder	Options Number	Percentage (%)
MS JOANNE RUTH BURFORD	416,000,000	13.31%
MR JOHN FRANCIS CORR <BAWNLUSK PORTFOLIO ACCOUNT>	375,000,000	12.00%
BAY STREET MINERAL CORP	356,000,000	11.39%
MR THOMAS FRANCIS CORR	217,500,000	6.96%
MS LORAIN VON DER WEID-DE WECK	187,500,000	6.00%
MR JAMES DAVID LINDSAY RIDE <CHARDONNE A/C>	180,000,000	5.76%
VENUS ANETAC PTY LTD <RGC FAMILY A/C>	150,000,000	4.80%
AVANTE HOLDINGS PTY LTD	138,500,000	4.43%
RUCK PTY LTD	100,000,000	3.20%
MOVIDO PTY LTD	100,000,000	3.20%
PENINSULA INVESTMENTS (WA) PTY LTD	100,000,000	3.20%
GIBRALTAR RESOURCES PTY LTD	90,000,000	2.88%
MOUNT STREET INVESTMENTS PTY LTD	90,000,000	2.88%
PERSHING AUSTRALIA NOMINEES PTY LTD <INDIAN OCEAN A/C>	80,000,000	2.56%
DISTINCT RACING & BREEDING PTY LTD	80,000,000	2.56%
VENUS CORPORATION PTY LTD <JAH SUPER A/C>	62,500,000	2.00%
VERDE TRADING PTY LTD	62,500,000	2.00%
GAB SUPERANNUATION FUND PTY LTD	50,000,000	1.60%
RISTOVSKI NOMINEES PTY LTD <RISTOVSKI S/FUND NO 2 A/C>	50,000,000	1.60%
MR PAUL GREGORY BROWN	50,000,000	1.60%
	2,935,500,000	93.94%

Company Secretary

Ms Loren Jones

Share Registry

Security Transfer Registrars Pty Ltd
Alexandrea House
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APPLECROSS WA 6153
Tel: +61 (08) 9315 2333

Registered Office

C/- Cicero Corporate Services Pty Ltd
Suite 9, 330 Churchill Avenue
SUBIACO WA 6008

Principal administration office

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SUBIACO WA 6008
Tel: +61 (08) 6489 1600