Vortex Pipes Limited
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9th September 2011

The Manager
Companies Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

ASX Announcement
Annual Report for the Year Ended June 2009

Please find attached the Company's Annual Report for the year ended 30 June 2009.

This report is to be read in conjunction with the Notice of Meeting lodged today.

Yours sincerely

Trevor Gosatti
Managing Director

ANNUAL REPORT 2009

Vortex Pipes Limited

ACN 096 870 978

VORTEX PIPES LIMITED

ANNUAL REPORT
FOR THE YEAR ENDED 30 June 2009

VORTEX PIPES LIMITED

CORPORATE DIRECTORY

Directors

Mark Bernard Jenkins (Chairman)
Trevor Adriano Gosatti
John Townley Phillips
Santino Di Giacomo

Company Secretary

Trevor Adriano Gosatti

Registered Office

Unit 6, 110 Inspiration Drive
Wangara
Western Australia 6065

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Telephone:	08 9302 5151
Facsimile:	08 9302 5076
Email:	trevor.gosatti@vortexpipes.com
Website:	www.vortexpipes.com

Auditors

Crowe Horwath
Level 6
256 St Georges Terrace
Perth
Western Australia 6000

Patent Attorney

Wray & Associates
Level 4
1 William Street
Perth
Western Australia 6000

Bankers

Bank of Western Australia Ltd
108 St Georges Terrace
Perth
Western Australia 6000

National Australia Bank
226 Main Street
Osborne Park
Western Australia 6017

VORTEX PIPES LIMITED

MANAGING DIRECTORS' REVIEW

Dear Shareholder

The year to 30 June 2009 was a tougher than expected period for Vortex. Operations undertaken in that period included:

- Completion of the ShieldLiner™ System in accordance with the milestones and timelines agreed under the Commercial Ready Grant programme;
- installation of an epoxy and fibreglass resin liner in-field at Rockingham using the ShieldLiner™ System;
- completion of the supply and installation of glass reinforced epoxy pipe in a floating dock facility for Strategic Marine; and
- being awarded a contract for refurbishment of sewer lines.

Whilst the Company continued to make progress with its technology and operations, it was constrained due to working capital limitations, and in July 2009 undertook a rights issue with the intention of raising approximately $1.14 million in cash to supplement its working capital. Unfortunately, only $435,000 was raised through the rights issue, and the Directors, in conjunction with the Lead Managers, endeavoured to place the shortfall with other interested parties.

Regrettably, the Company's efforts were thwarted by a combination of factors, including the impact of the global financial crisis and internal difficulties, and the Company's securities were suspended from quotation on ASX in September 2009. Vortex effectively ceased contracting operations in December 2009, with no staff remaining.

Since that time, the Company has focused on marketing its principle asset, the Sheildliner technology, reducing liabilities and seeking out new capital. The Directors are hopeful of getting the Company back to an operational status and having its suspension on ASX lifted in the near future.

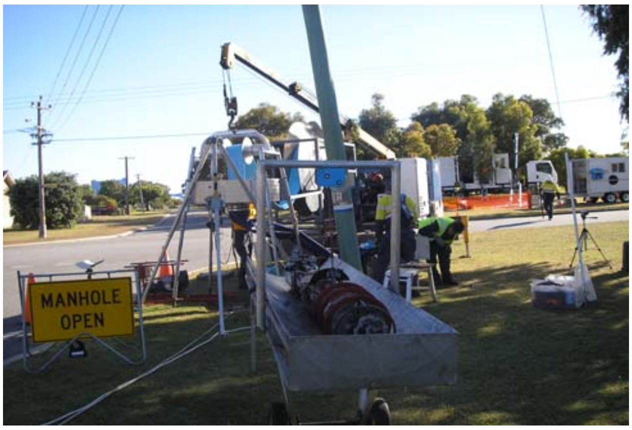
It is worthwhile to note the activities undertaken by Vortex in the year ended 30 June 2009. The following is a brief review of the Group's operations in that period.

<u>ShieldLiner Development Program</u>

The Company continued to progress and complete the AusIndustry Commercial Ready Grant program to support the further development and commercialisation of the ShieldLiner™ System which involves lining, repairing and sealing both gravity and pressure pipelines in situ without surface disruption. The final stage of the Commercial Ready development program was completed during the year.

In December 2008 the ShieldLiner System was successfully demonstrated by completing an in-field relining project at Victoria Road, Rockingham, Western Australia. The liner was installed in a DN300mm concrete stormwater drainage pipe that was 35 metres long and had both tree root intrusions and ground water infiltration through the old pipe joints.

Vortex rehabilitated the old concrete pipe by using the ShieldLiner™ System to install its epoxy resin and fibreglass matrix lining package in the old pipe. This is the liner package matrix that Vortex has developed for potable water relining solutions, and is the first time that it had been installed in an in-field project.



In-field job at Rockingham, Western Australia

The first field installation of our epoxy resin and fibreglass matrix used by ShieldLiner for refurbishing pipes was another milestone in commercialising the ShieldLiner™ System.

The Company had previously only installed ShieldLiner in the field using our vinyl ester and fibreglass liner matrix. The successful installation of the epoxy resin and fibreglass liner in the field was another step toward installing the same matrix for the targeted water pipe refurbishment market. This is the same liner matrix that obtained potable water approval in Australia in May 2008.

A snapshot of the finished liner

Strategic Marine Contract

During the period, the Company completed the supply and installation of the GRE pipes and fittings for the Strategic Marine contract.

The Company previously advised that it had been awarded the contract with Strategic Marine Pty Ltd, a successful Western Australian shipbuilder which won the contract to build the floating dock for the Australian Marine Complex at Henderson, Western Australia. As part of that project, glass reinforced epoxy ("GRE") pipes were selected for use as part of the dewatering system.

Supply of the GRE pipe and fittings was made to the Strategic Marine shipyard in Vietnam, where some installation of the pipe was completed, prior to the floating dock facility being brought to Henderson, Western Australia.

Further installation works on the floating dock were completed in the first quarter of 2009 by the Company. The floating dock facility was commissioned in late 2009.

Whilst we completed the required work to specification, Strategic Marine Pty Ltd chose not to pay what the Company maintains to be legitimate invoices for work satisfactorily undertaken and completed. This non-payment has caused the Company significant financial distress and the Company is presently assessing its options in order to obtain payment and recover damages.

Other GRE Projects

The Company actively engaged with principals and engineers of various oil and gas projects during the period to have GRE pipe introduced and included in their projects. There was a realistic expectation of obtaining significant contracts associated with the Gorgon contract by the end of 2009. However, that project has seen significant delays and the relevant contracts still have not been let. Again, this significant delay has hampered the Company's efforts to establish the GRE agency in Australia.

Premium Pipe Services Pty Ltd – Award of Relining Contract

In March 2009, the Company announced it had been awarded the Water Corporation of WA Contract for the Refurbishment of Reticulation Sewers – Perth Region (2009) through its subsidiary, Premium Pipe Services Pty Ltd.

The contract involved the refurbishment of approximately 2.3 kilometres of reticulation sewer pipes at various locations in the Perth metropolitan region, Western Australia This project was successfully completed in December 2009 using world leading ultra-violet light curing technology to cure the liners as a close fit liner to the existing pipes to be rehabilitated.

Second Generation Patent Granted

In April 2009, Vortex announced that its second generation patent application in Australia (Australian Patent No. 2003257247) for the ShieldLiner technology had been granted. The granting of this patent was further positive recognition of the Company's development of its pipe relining technology to date. Given cashflow constraints, we have reigned patent costs in significantly, although some areas like Japan have been maintained.

Global Financial Crisis

The Group has felt the effects of the financial downturn that commenced during the reporting period. Particular effect has been felt in the contracting arm of Premium Pipe Services ("PPS"), which suffered severe cut backs on several of its pipe cleaning and servicing contracts with various local Councils. This led to much lower revenues than expected for the pipe services and pipe relining works offered by PPS.

The economic downturn also affected the expected supply of GRE pipes to a number of projects which were delayed or deferred due to the downturn

Capital Raisings

On 14 July 2009, the Company announced a non-renounceable pro-rata Rights Issue of fully paid ordinary shares to existing shareholders to raise up to approximately $1.14 million before issue costs. The Rights Issue was made at an issue price of $0.03 per share on the basis of one (1) new share for every two (2) shares held at the Record Date (22 July 2009).

At the closure date, 14,521,959 shares were taken up raising $435,659 for the Company, before costs. These shares were issued and allotted, and statements of shareholdings despatched, on Friday, 21 August 2009. The proceeds from the Rights Issue have been applied towards supplementing the Company's working capital.

The Directors, in conjunction with the Lead Managers to the Issue, were looking to place the shortfall in accordance with the Offer Document released on 24 July 2009. However the combined effect of the global financial crisis and significant management issues led to the suspension of the Company's securities from ASX. The result was that the Company was unable to fill the rights issue shortfall, a position that put it in significant financial stress and necessitated the restructuring as set out elsewhere in this report.

On 10 December 2010 the Company raised $100,000 in cash through the issue of Convertible Loan Notes.

The terms of the Notes provide that interest at the rate of 10% is payable. The ability of the lender to convert the loan to equity was contingent on shareholder approval being obtained. The Notes were otherwise repayable on 28 February 2011 and were paid out at that time.

Subsequent to that transaction, the Company has signed a Binding Term Sheet with an undisclosed party regarding a potential recapitalisation and injection of new funds. The agreement has a number of conditions precedent to be met before being completed. This potential transaction will settle previous liabilities and provide the pathway for the Company to exploit its existing Shieldliner asset and to look at further opportunities.

In relation to amounts owing to Alinta Asset Management at 30 June 2009 of $275,000 subsequently a deed of release of debt was signed on 7 April 2011 between the parties, agreeing to release Vortex from $258,646 of the total debt, provided Vortex pays the balance of $50,000 (GST excl).

Non Executive Director Resignations and Appointment

Mr James McDonald, who had been a Non-Executive Director and Chairman of the Company since May 2006, resigned on 17 September 2008. The Company recognises the efforts of Mr McDonald and thanks him for his contribution to the Company. He was instrumental in changing Vortex from a research and development company for a pipe relining technology into an integrated pipe services and supply company.

Mr Anthony Zuiderwyk, who had been a Non-Executive Director of the Company since August 2004, resigned on 10 November 2008. Mr Zuiderwyk had been a great contributor and supporter of Vortex since it originally commenced as a research and development company for a pipe relining technology, initially through his employer at the time, Alinta Limited, and also after Alinta's involvement. The Company thanks him for his contribution.

On 11 January 2010, Mr Sam Di Giacomo was appointed a director of the Company.

Trevor Gosatti
Managing Director

DIRECTORS' REPORT

Your Directors present their report on the Company and its controlled entities for the financial year ended 30 June 2009.

Directors

The names of directors in office at any time during or since the end of the financial year are:

Mr Mark Bernard Jenkins – Chairman (appointed Chairman 17 September 2008)
Mr Trevor Adriano Gosatti
Mr John Townley Phillips
Mr Santino Di Giacomo (appointed 11 January 2010)
Mr James Kenneth McDonald (resigned 17 September 2008)
Mr Antony Martin Zuiderwyk (resigned 10 November 2008)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the Group during the year were:

(a) continued development of the ShieldLiner™ System incorporating:
   - i) associated research into materials and applications;
   - ii) seeking additional intellectual property protection for enhancements and refinements made to the ShieldLiner™ System; and
   - iii) the preparation of longer term project and business plans to further develop and commercially exploit the business; and

(b) as a secondary operation, operating pipe relining and various associated trenchless technology contracting activities incorporated in the subsidiary Premium Pipe Services Pty Ltd.

Dividends – Vortex Pipes Limited

No dividend has been declared or paid since incorporation and the Directors do not recommend the payment of a dividend.

Review of Operations

A detailed review of operations is set out in the Managing Director's Review above.

Significant 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.

Likely Developments

The Directors are continuing to assess opportunities to re-establish the Company, including the pursuit of both licensing and contracting opportunities for the use of the ShieldLiner™ System both domestically and internationally.

The Directors are confident that a Binding Term Sheet agreement made with a yet undisclosed entity will meet various conditions precedents and will allow a recapitalisation of the Company and will provide security of funding for the Company.

The Company will be able to pursue opportunities in the market for the Shieldliner technology and will also allow the Company to look for other opportunities with the new funding arrangements.

Information on Directors at the date of this report

MB Jenkins B.Com, Grad Dip (Bus) Non-executive Chairman Age 46

Experience and expertise
Mr Jenkins has over 20 years experience in consulting, operational/financial management and business development in professional Chartered Accountancy firms, investment banking, government agencies and public companies. Initially qualifying as a Chartered Accountant in Australia, Mr Jenkins career includes two extended periods in London, including a position as Australia's Investment Commissioner, and has involved successful and extensive investment, commercial, financial and government dealings in Australia, Asia, the United States and Europe. Mr Jenkins has also been an advisor and investor in early stage technology companies, taking them through the initial funding and commercialisation stages. He has participated in numerous professional development programs, including Cranfield University in England.

Other current public company directorships
Non-executive Chairman of Quickstep Holdings Limited (appointed non-executive Director July 2005, appointed non-executive Chairman March 2007)

Former public company directorships in last 3 years
None

Special responsibilities
Mr Jenkins is Chairman of the Board and a member of both the Remuneration Committee and Audit and Risk Committee.

Interests in shares and options
4,035,227 ordinary shares in the Company
1,000,000 options over ordinary shares in the Company

TA Gosatti Managing Director - Executive Age 49

Experience and expertise
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 and he was previously Managing Director of Premium Corporation Pty Ltd. 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.

Other current public company directorships and former public company directorships in last 3 years
None

Special responsibilities
Mr Gosatti is Managing Director and a member of both the Remuneration Committee and Intellectual Property Committee.

Interests in shares and options
13,806,380 ordinary shares in the Company
400,000 options over ordinary shares in the Company

JT Phillips BE, MEng Sc Non-executive director Age 69

Experience and expertise
Mr Phillips has 40 years experience as a civil engineer on major infrastructure works. He was a member of the Board of GHD Engineers for 25 years and Chairman for 4 years. Mr Phillips is a past President of the Institution of Engineers WA and is the Chief Executive Officer of the Construction Contractors Association. He is a member of the National Board of the Centre of Engineering, Leadership and Management, and a Board member of the WA Construction Industry Redundancy Fund. He is also a member of a number of private, government and not-for-profit committees.

Other current public company directorships and former public company directorships in last 3 years
None

Special responsibilities
Mr Phillips is a member of both the Remuneration Committee and the Audit and Risk Committee.

Interests in shares and options
1,600,001 ordinary shares in the Company.

S Di Giacomo B.Com Non-executive Director Age 46

Experience and expertise

Mr Di Giacomo qualified as a Chartered Accountant in 1984 with Ernst & Young, and subsequently worked in the Chairman's office of Mr Robert Holmes-a-Court's International Bell Group Ltd, as assistant to the Finance Director.

In 1988, he joined the international pharmaceutical group, Cortecs International Ltd and Provalis PLC. During his 12 year tenure with the UK based Provalis Group (listed on the LSE, NASDAQ and ASX), Mr Di Giacomo held a number of senior international executive positions (including Director of Corporate Development) and was also responsible for the Group expansion and capital raising activities. He was also a key figure in the Group's strategic and corporate restructuring and international expansion including capital raisings (NASDAQ and the LSE), the capture of new intellectual property and major health care and licensing contracts.

Mr Di Giacomo was a founder of Advance Healthcare Group Ltd (ASX:AHG). Advance managed a unique and innovative medication management and supply business, Pharmeasy, together with its well established pharmaceutical and medical surgical wholesale distribution business with Australian turnover in excess of $100 million.

Other current public company directorships
Director of listed companies Pallane Medical Limited (appointed 5 October 2009), Apac Coal Limited (appointed 29 June 2007) and Millipede International Limited (appointed 13 December 2006).

Former public company directorships in last 3 years
Director of listed company Costarella Design Ltd (appointed 1 March 2007, resigned 17 August 2009).

Special responsibilities
None

Interests in shares and options
None

Company Secretary

The Company Secretary at the end of the financial year was Mr Robert Cameron-Wilton. Mr Cameron-Wilton was appointed to the position of Company Secretary in April 2009 and resigned on 29 September 2009. Mr Trevor Gosatti was appointed Company Secretary on 29 September 2009.

Directors' Meetings

The Directors holding office during the year and the number of Directors' meetings and Directors' committee meetings held and attended by Directors during their term of office were as follows:

	Board Meetings		Audit and Risk Committee		Intellectual Property Committee		Remuneration	
	No. held: 9		No. held: 3		No. held: 0		No. held: 0	
Director	**Eligible to attend**	**Attended**	**Eligible to attend**	**Attended**	**Eligible to attend**	**Attended**	**Eligible to attend**	**Attended**
MB Jenkins	9	9	1	1	-	-	-	-
JT Phillips	9	9	1	1	-	-	0	0
TA Gosatti	9	9	-	-	0	0	0	0
JK McDonald	3	3	2	2	-	-	-	-
AM Zuiderwyk	4	3	2	2	-	-	-	-

Environmental Regulation

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.

Subsequent Events

On 14 July 2009, the Company announced a non-renounceable pro-rata Rights Issue of fully paid ordinary shares to existing shareholders to raise up to approximately $1.14 million before issue costs. The Rights Issue was made at an issue price of $0.03 per share on the basis of one (1) new share for every two (2) shares held at the Record Date (22 July 2009). The proceeds from the Rights Issue have been applied towards supplementing the Company's working capital.

At the closure date, 14,521,959 shares were taken up raising $435,658.77 for the Company, before costs. These shares were issued and allotted, and statements of shareholdings despatched, on Friday, 21 August 2009. The Directors, in conjunction with the Lead Managers and other parties, sought to place the shortfall. This effort ceased when the Company was placed in suspension in September 2009.

The Directors took advice subsequently on avenues open to the Company, including Administration. They also solicited re-capitalisation offers from a number of parties in the period until mid-December 2009, one of which was Centurion Securities and Investment Services Pty Ltd ("Centurion").

On 11 January 2010, the Company announced the execution of an agreement with Centurion for an agreement to issue a convertible note. On 16 July 2010, the Company announced that Centurion did not fulfil its obligations as required under the executed agreement and that, in the Company's view, the agreement had become null and void.

The Company successfully installed re-lining for several local and the state utilities. However, the effect of the global financial crisis meant that future work could not be assured. The Company therefore decided to wind down the contracting division in December 2009 and all staff were retrenched. In July 2010, the remaining equipment was sold to a third party.

The Company has continued to pursue further opportunities for funding and asset acquirement. It entered into negotiations and due diligence reviews with several parties, however none of these transactions transpired for reasons usually associated with the other party.

On 10 December 2010 the Company raised $100,000 in cash through the issue of Convertible Loan Notes. The terms of the Notes provide that interest at the rate of 10% was payable. The ability of the lender to convert the loan to equity is contingent on shareholder approval and a number of other conditions being attained. The Notes are otherwise repayable on 28 February 2011 and were paid out at that time.

Subsequent to that transaction, the Company has signed a Binding Term Sheet with an undisclosed party regarding a potential recapitalisation and injection of new funds. The agreement has a number of conditions precedents to be met before being completed. This potential transaction will settle previous liabilities and provide the pathway for the Company to exploit its existing Shieldliner asset and to look at further opportunities.

Remuneration report

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration (audited)
B Details of remuneration (audited)
C Service agreements (audited)
D Share-based compensation (audited)
E Additional information (unaudited)

The information provided under headings A-D includes remuneration disclosures that are required under Accounting Standard AASB 124 *Related Party Disclosures.* These disclosures have been transferred from the financial report and have been audited. The disclosures in Section E are additional disclosures required by the *Corporations Act 2001* and the *Corporations Regulations 2001* which have not been audited.

A Principles used to determine the nature and amount of remuneration (audited)

The Board as a whole is responsible for considering remuneration policies and packages applicable both to Board members and senior executives of the Company. 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.

The executive directors receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits. Individuals do, however, have the ability to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Options given to directors and employees are valued using the Black-Scholes methodology.

As part of each executive director's remuneration package there is a performance based bonus component that is linked to key performance indicators (KPI's) included in the annual business plan. The KPI's target areas that the board believes are critical for the future development and growth of the Company. These include, but are not restricted to, the achievement of research and development milestones, improved financial performance, and identification of potential acquisitions that will complement the activities of the Company and provide shareholder wealth from profitable trading activities. Performance in relation to the KPI's is assessed annually, with bonuses being awarded depending on the assessed level of achievement of the goals and objectives.

Non-Executive Directors

Non-executive directors receive a fixed annual fee of $40,000 each for their services, except for the non-executive Chairman who receives $80,000. Total remuneration for all non-executive directors, last voted upon by shareholders at the 2006 annual general meeting, is not to exceed $200,000 per annum. The Company does not have any scheme relating to retirement benefits for non-executive directors.

Executive pay

The executive pay and reward framework is comprised solely, at this stage, of base pay and benefits, including superannuation.

B Details of remuneration (audited)

The remuneration of each director and key management employee is shown below. The key management personnel of the Group and the parent entity include the directors as per page 7 above, GJ Nairn, R Cameron-Wilton and MB Morris.

	Short-term benefits			Post employment benefits	Term-ination benefits	Share-based payments	
Name	**Cash salary and fees**	**Cash bonus**	**Non-monetary benefits**	**Super-annuation**		**Options**	**Total**
2009							
Non-executive directors							
MB Jenkins	70,667	-	-	-	-	-	70,667
JT Phillips	40,000	-	-	-	-	-	40,000
JK McDonald	3,850	-	-	-	-	-	3,850
AM Zuiderwyk	2,752	-	-	248	-	-	3,000
Executive directors							
TA Gosatti	146,800	-	-	13,302	-	-	160,102
Other key management personnel							
R Cameron-Wilton	56,426	-	-	5,078	-	-	61,504
GJ Nairn	109,856	-	-	9,887	4,990	-	124,733
MB Morris	79,094	-	-	6,138	-	-	85,232
Totals 2009	509,445	-	-	34,653	4,990	-	549,088
2008							
Non-executive directors							
WJ Land	11,009	-	-	991	-	-	12,000
AM Zuiderwyk	11,009	-	-	991	-	2,086	14,086
JK McDonald	18,000	-	-	-	-	-	18,000
Executive directors							
TA Gosatti	147,800	-	-	12,222	-	-	160,022
Other key management personnel							
GJ Nairn	120,000	-	-	10,800	-	-	130,800
MB Morris	83,280	-	-	6,431	-	-	89,711
Totals 2008	391,098	-	-	31,435	-	2,086	424,619

Notes to remuneration table:

1. MB Jenkins was appointed a Director on 1 July 2008, and appointed Chairman on 17 September 2008.
2. JT Phillips was appointed a Director on 1 July 2008.
3. All of the remuneration payable to JK McDonald in 2008 and 2009 was, at his direction, paid to his family company. Mr McDonald resigned from the Company on 17 September 2009.
4. AM Zuiderwyk resigned from the Company on 10 November 2009.
5. WJ Land resigned from the Company on 30 June 2008.
6. GJ Nairn resigned from the Company on 20 February 2009.
7. R Cameron-Wilton was appointed Chief Financial Officer on 2 February 2009 and Company Secretary on 4 April 2009. He resigned from the Company on 29 September 2009.
8. MB Morris resigned from the Company on 9 January 2009.

C Service agreements (audited)

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:

<u>TA Gosatti –Managing Director</u>

- Term of agreement – on-going commencing 1 January 2007.
- Base salary, inclusive of superannuation, for the year ending 30 June 2010 of $200,000.
- Eligible to receive a discretionary performance linked bonus on the achievement of targets and other objectives as stipulated by the Board of Directors.

D Share-based compensation (audited)

Options issued as part of remuneration for the year ended 30 June 2009

Options are issued from time to time to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to increase goal congruence between directors, employees and shareholders. Options over ordinary shares in the Company provided as remuneration to key management personnel, including directors, are set out below.

Name	Number of options granted during the year		Number of options vested during the year	
	2009	2008	2009	2008
TA Gosatti	-	-	-	-
JT Phillips	-	-	-	-
MB Jenkins	-	-	-	-
AM Zuiderwyk	-	200,000	-	200,000
JK McDonald	-	-	-	-
R Cameron-Wilton	-	-	-	-
GJ Nairn	-	-	-	-
MB Morris	-	-	-	-

E Additional information – unaudited

There is no additional information that is required to be disclosed in respect of the year ended 30 June 2009.

Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number of options
18 February 2005	18 February 2010	30 cents	150,000
31 May 2008	31 May 2011	20 cents	1,000,000
			1,150,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Shares Issued on Exercise of Options

There were no shares issued during the operating period pursuant to the exercise of options.

Indemnification of Officers

The Company has indemnified the Directors (as named above) and all executive officers of the Company and of any related body corporate against any liability incurred as a Director, secretary or executive officer to the maximum extent permitted by the Corporations Act 2001.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer of the Company or of any related body corporate against a liability incurred as an officer.

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.

Non-audit services

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

No amounts were paid to the external auditor for non-audit services during the 2009 financial year (2008 - $1,500).

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 13.

Signed in accordance with a resolution of the Directors made pursuant to section 298(2) of the Corporations Act 2001.

For and on behalf of the Board

MB Jenkins
Director

TA Gosatti
Director

Perth
14 April 2011

Crowe Horwath

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Vortex Pipes Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

CROWE HORWATH PERTH

CYRUS PATELL
Partner

Perth, WA

Dated this 14th day of April 2011

VORTEX PIPES LIMITED

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

The Board and the Company recognise 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.

The Company's corporate governance framework is underpinned by the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (2nd Edition)* ("Recommendations") applicable to ASX-listed entities. This Corporate Governance Statement provides details of the Company's main corporate governance practices which were in place for the entire financial year and the Company's compliance with the Recommendations, or where appropriate, indicates a departure from the Recommendations with an explanation.

The Company's main corporate governance practices which were in place for the entire financial year are summarised below.

ASX CGC 1 – Lay solid foundations for management and oversight

The Council states that the Company should recognise and publish the respective roles and responsibilities of board and management.

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.

ASX CGC 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 a non-executive Chairman, two non-executive directors and the Managing Director.

Details of Directors (Mr Gosatti, Mr Jenkins, Mr Phillips and Mr Di Giacomo) are set out in the Directors' Report. Mr Gosatti is a major shareholder or a representative of major shareholders and as such may not necessarily be considered an independent director. Notwithstanding this fact, the Company complies with ASX Corporate Governance Principle 2.1 which recommends that a company's board comprise a majority of independent directors.

The Company's Managing Director (CEO) has the responsibility for guiding management in effectively carrying out tasks and achieving job task objectives. The Company has a very small number of senior executives and management, and there are regular formal and informal opportunities for management to interact with board members.

The full Board meets on a regular 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 Board has established two committees to provide specific oversight:

1. Audit and Risk Committee

The role of the audit and risk committee is set out in a charter and its responsibilities include reviewing all published accounts of the group, reviewing the scope and independence of external audits, monitoring and assessing the systems for internal compliance and control, legal compliance and risk management, and advising on the appointment, performance and remuneration of the external auditors.

Mr Jenkins and Mr Phillips form the audit and risk committee. The external auditors attend all audit and risk committee meetings, together with the Group's CFO.

2. Remuneration Committee

The role of the remuneration committee is to design and ensure appropriate remuneration policies are in place to meet the needs of the Company and to enhance corporate and individual performance. The remuneration committee is responsible for reviewing:

- executive remuneration and incentive policies
- the remuneration packages of senior management

- the Company's recruitment, retention and termination policies and procedures for senior management
- superannuation arrangements
- the performance management system operating within the Company and its effectiveness
- the remuneration framework for Directors

Mr Phillips and Mr Gosatti form the remuneration committee. Mr Jenkins joins the committee in place of Mr Gosatti when issues related to the CEO are considered.

ASX CGC 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 registered office.

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:

A Director or employee may only purchase, transfer, or otherwise deal in securities of the Company during a 30 day period commencing three days after:

a) The release of the Company's annual report to the ASX;

b) The release of the Company's half yearly financial report to the ASX;

c) The release of a quarterly report by the Company to the ASX pursuant to Listing Rule 4.7B;

d) The annual general meeting of the Company; or

e) The release of a Company prospectus.

Each director and employee is required to satisfy themselves that any dealings 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 registered office.

ASX CGC 4 – Safeguard integrity in financial reporting

The Council states that the Company should have a structure to independently verify and safeguard such integrity.

The Chief Executive Officer and the Chief Financial Officer (or equivalent officers) are required to state to the Board in writing that the financial statements of the Company present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with the relevant accounting standards and the appropriate disclosure of all information required by statute.

The Board has established an audit committee which operates under a charter approved by the Board. Its role and its responsibilities include reviewing all published accounts of the group; reviewing the scope and independence of external audits; monitoring and assessing the systems for internal compliance and control, legal compliance and risk management; and advising on the appointment, performance and remuneration of the external auditors. The charter of the audit committee is available at the Company's registered office.

The Company's auditor is Crowe Horwath, appointed in 2002. Consistent with ASX CGC 6 Crowe Horwath 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 together with the external auditor.

ASX CGC 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 Chief Executive Officer will discuss significant issues with board members and jointly 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.

ASX CGC 6 – Respect the rights of shareholders

The Council states that the Company should facilitate the effective exercise of these rights.

The Company recognises the important role of communicating with shareholders, and has for several years regularly informed shareholders about current and proposed activities.

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.

ASX CGC 7 – Recognise and manage risk

The Council states that the Company should establish a sound system of risk oversight and management and internal control.

The Chief Executive Officer is responsible to the Board for the Company's system of internal control and risk management. The audit committee assists the Board in monitoring this role.

Consistent with the requirements of ASX CGC 4&7, the Chief Executive Officer and the Chief Financial Officer (or equivalent) are required to state to the Board in writing that the financial statements of the Company present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with the relevant accounting standards and the appropriate disclosure of all information required by statute. Additionally, the Chief Executive Officer and the Chief Financial Officer 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 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.

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

ASX CGC 8 – Encourage enhanced performance

The Council states that the Company should fairly review and actively encourage enhanced Board and management effectiveness.

A Performance Evaluation Policy has been approved by the Board. The remuneration committee assesses that the framework and the processes used for conducting evaluations are appropriate and then makes recommendations to the Board.

ASX CGC 9 – 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 approved a remuneration policy. The remuneration committee assesses that the policy has been followed, and in particular assesses Chief Executive Officer performance and incentive payments, and makes recommendations to the Board.

Disclosure of Director and senior executive remuneration is contained in the 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.

ASX CGC 10 – Recognise the legitimate interests of stakeholders

The Council recommends a Company Code of Conduct be established, which has been done (see ASX CGC 3 above).

INDEPENDENT AUDIT REPORT TO MEMBERS OF VORTEX PIPES LIMITED AND ITS CONTROLLED ENTITIES

We have audited the accompanying financial report of Vortex Pipes Limited (the company) and Vortex Pipes Limited and its Controlled Entities (the consolidated entity), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report
The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity'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 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.

Auditor's Opinion
In our opinion, the financial report of Vortex Pipes Limited and Vortex Pipes Limited and its Controlled Entities is in accordance with the Corporations Act 2001 including:

(a) (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Crowe Horwath Perth is a WHK Group Firm and a member of Crowe Horwath International, a Swiss verein.
Each member firm of Crowe Horwath is a separate and independent legal entity.

Crowe Horwath

Material Uncertainty Regarding the Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1(b) in the financial report. The matters outlined in Note 1(b) indicate the existence of a material uncertainty that may cast doubt over the Group's ability to continue as a going concern. If the Group is not able to secure additional finance, the going concern basis may not be appropriate and as a result the Group may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 11 of the directors' report for the year ended 30 June 2009. 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.

Auditor's Opinion

In our opinion the Remuneration Report for Vortex Pipes Limited for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001.

CROWE HORWATH PERTH

CYRUS PATELL
Partner

Perth, WA

Dated this 14th day of April 2011

VORTEX PIPES LIMITED

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 June 2009

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 21 to 45 are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards and the Corporations Regulations 2001; and
   (b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the financial year ended on that date of the Company and consolidated group;

2. the Chief Executive Officer has declared that:

   (a) the financial records of the Company for the financial year have been properly maintained in accordance with Section 286 of the Corporations Act 2001;
   (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
   (c) the financial statements and notes for the financial year give a true and fair view;

3. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

MB Jenkins
Director

TA Gosatti
Director

Perth
14 April 2011

VORTEX PIPES LIMITED ABN 80 096 870 978 AND CONTROLLED ENTITIES

INCOME STATEMENT
For the year ended 30 June 2009

	Note	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent entity 2009 $	Parent entity 2008 $
Revenue	2	2,675,538	2,829,080	434,902	594,287
Cost of sales of goods		1,356,693	1,650,559	-	-
Change in inventories and work in progress		115,118	671,211	21,358	(3,607)
Research and development costs, materials and consultants		59,076	157,143	49,582	157,143
Core technology, patent costs and intangibles amortisation		130,049	110,467	90,049	70,467
Impairment of intangibles		1,007,636	-	622,263	-
Impairment of plant and equipment		135,220	-	-	-
Directors' fees, salaries, superannuation and consulting costs		279,279	215,220	279,279	215,220
Staff wages, salaries and superannuation		1,073,163	1,293,109	566,368	628,218
Depreciation expense		261,546	279,334	16,081	24,638
Public company costs, fees, share registry, shareholder costs		25,021	47,028	25,021	47,028
Occupancy costs		120,803	135,953	120,803	131,408
Legal fees		5,198	2,246	5,196	2,246
Audit fees		33,810	34,500	33,810	34,500
Insurances		107,323	121,066	33,287	39,355
Interest expense		88,005	71,771	6,288	7,106
Loss on disposal of non-current assets		17,756	-	2,529	-
Provision for doubtful debts		385,897	-	1,875,203	-
Impairment of investments in controlled entities		-	-	1,162,370	-
Other expenses from ordinary activities		157,864	489,826	64,705	325,388
Royalty expense		-	150,000	-	150,000
		5,359,457	5,429,433	4,974,192	1,829,110
Loss before income tax	4(a)	(2,683,919)	(2,600,353)	(4,539,290)	(1,234,823)
Income tax (expense)/benefit	4	(403,118)	652,355	301,054	243,071
Loss for the year		(3,087,037)	(1,947,998)	(4,238,236)	(991,752)
Loss attributable to minority equity interest		-	2	-	-
Loss attributable to members of the parent entity		(3,087,037)	(1,947,996)	(4,238,236)	(991,752)
Basic loss per share (cents per share)	15	(0.0414)	(0.0302)	(0.0568)	(0.0153)
Diluted earnings per share	15	(0.0414)	(0.0302)	(0.0568)	(0.0153)

The financial statements should be read in conjunction with the accompanying notes.

VORTEX PIPES LIMITED ABN 80 096 870 978 AND CONTROLLED ENTITIES

BALANCE SHEET
As at 30 June 2009

	Note	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent entity 2009 $	Parent entity 2008 $
Current Assets					
Cash and cash equivalents	5	10,948	148,648	10,944	34,336
Inventories	6	63,370	178,488	-	21,358
Trade and other receivables	7	350,749	632,897	302,241	2,470,889
Total Current Assets		425,067	960,033	313,185	2,526,583
Non-Current Assets					
Trade and other receivables	7	-	-	-	-
Plant and equipment	8	883,287	1,263,167	27,748	39,667
Other financial assets	9	-	-	-	1,162,370
Intangible assets	10	-	1,032,006	-	606,633
Deferred tax assets	4	-	704,172	-	-
Total Non-Current Assets		883,287	2,999,345	27,748	1,808,670
Total Assets		1,308,354	3,959,378	340,933	4,335,253
Current Liabilities					
Trade and other payables	11	994,807	611,684	521,566	379,920
Financial liabilities	12	461,136	378,928	-	-
Short term provisions	13	40,171	44,868	26,651	37,220
Total Current Liabilities		1,496,114	1,035,480	548,217	417,140
Non-Current Liabilities					
Borrowings	12	393,936	533,934	-	-
Long term provisions	13	31,321	30,293	21,250	22,760
Deferred Tax Liabilities	4	-	115,651	-	115,651
Total Non-Current Liabilities		425,257	679,878	21,250	138,411
Total Liabilities		1,921,371	1,715,358	569,467	555,551
Net (Deficiency)/Assets		(613,017)	2,244,020	(228,534)	3,779,702
Equity					
Issued capital	14	6,921,628	6,691,628	6,921,628	6,691,628
Option Premium Reserve		121,374	121,374	121,374	121,374
Accumulated Losses		(7,656,019)	(4,568,982)	(7,271,536)	(3,033,300)
Parent interest		(613,017)	2,244,020	(228,534)	3,779,702
Minority equity interest		-	-	-	-
Total Equity/(Deficiency)		(613,017)	2,244,020	(228,534)	3,779,702

The financial statements should be read in conjunction with the accompanying notes.

VORTEX PIPES LIMITED ABN 80 096 870 978 AND CONTROLLED ENTITIES

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2009

	Share Capital $	Option Premium Reserve $	Accumulated Losses $	Total $
Parent entity				
Balance at 30 June 2007	5,994,738	108,025	(2,041,548)	4,061,215
Shares issued – 10,000,000 shares at 7.5 cents	750,000	-	-	750,000
Share issue expenses	(75,873)	-	-	(75,873)
Deferred tax credit attributable to share issue expenses recognised directly in equity	22,763	-	-	22,763
Loss attributable to members of the Company	-	-	(991,752)	(991,752)
Option reserve - share based payments	-	13,349	-	13,349
Balance at 30 June 2008	6,691,628	121,374	(3,033,300)	3,779,702
Shares issued – 3,066,667 shares at 7.5 cents	230,000	-	-	230,000
Loss attributable to members of the Company	-	-	(4,238,236)	(4,238,236)
Balance at 30 June 2009	6,921,628	121,374	(7, 271,536)	(228,534)
Consolidated Group				
Balance at 30 June 2007	5,994,738	108,025	(2,620,986)	3,481,777
Shares issued – 10,000,000 shares at 7.5 cents	750,000	-	-	750,000
Share issue expenses	(75,873)	-	-	(75,873)
Deferred tax credit attributable to share issue expenses recognised directly in equity	22,763	-	-	22,763
Loss attributable to members of the Company	-	-	(1,947,996)	(1,947,996)
Option reserve - share based payment	-	13,349	-	13,349
Balance at 30 June 2008	6,691,628	121,374	(4,568,982)	2,244,020
Shares issued – 3,066,667 shares at 7.5 cents	230,000	-	-	230,000
Loss attributable to members of the Company	-	-	(3,087,037)	(3,087,037)
Balance at 30 June 2009	6,921,628	121,374	(7,656,019)	(613,017)

The financial statements should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT
For the year ended 30 June 2009

	Note	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent entity 2009 $	Parent entity 2008 $
Cash Flows from Operating Activities					
Receipts from customers		2,514,427	2,848,807	431,050	550,024
Payments to suppliers and employees		(2,818,955)	(5,581,545)	(1,065,271)	(2,198,177)
R&D tax concession refunds received		250,402	259,440	250,402	259,440
Interest received		4,342	51,795	3,852	51,795
Interest paid		(88,005)	(71,771)	(6,288)	(7,106)
Net cash provided by (used in) operating activities	18	(137,789)	(2,493,274)	(386,255)	(1,344,024)
Cash Flows from Investing Activities					
Purchase of plant and equipment		(44,006)	(144,474)	(6,690)	(7,913)
Proceeds on disposal of plant and equipment		9,364	-	-	-
Purchase of investments		-	-	-	(8)
Payments in respect of patent costs capitalised		(105,679)	(76,245)	(105,679)	(76,245)
Net cash provided by (used in) investing activities		(140,321)	(220,719)	(112,369)	(84,166)
Cash Flows from Financing Activities					
Proceeds from issues of shares		230,000	750,000	230,000	750,000
Payment of share issue expenses		-	(75,873)	-	(75,873)
Loans from related parties		14,203	-	-	-
Loans (advanced to) / repaid by controlled entities		-	-	245,232	(1,707,922)
Repayment of loans		(103,793)	(1,275,663)		(878,050)
Net cash provided by (used in) financing activities		140,410	(601,536)	475,232	(1,911,845)
Net Increase/ (Decrease) In Cash Held		(137,700)	(3,315,529)	(23,392)	(3,340,035)
Cash at the beginning of the period		148,648	3,464,167	34,336	3,374,371
Cash from acquisition of subsidiary		-	10	-	-
Cash at the end of the period	5	10,948	148,648	10,944	34,336

The financial statements should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

1. Statement of Significant Accounting Policies

The following is a summary of the material accounting policies adopted in the preparation of the financial report. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Vortex Pipes Limited as an individual parent entity ("Parent Entity") and the consolidated group comprising Vortex Pipes Limited and its controlled entities ("Consolidated Group" or "Group").

a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated group and parent entity financial statements and notes comply with International Financial Reporting Standards.

These financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the revaluation of selected financial assets and financial liabilities for which the fair value basis of accounting has been adopted. Cost is based on the fair values of the consideration given in exchange for assets.

b) Going Concern

The consolidated balance sheet at 30 June 2009 reflects a net current liability position of $1,071,047 and an operating loss of $2,683,919 before tax for the year ended 30 June 2009. The financial statements have been prepared on a going concern basis which contemplates the realisation of assets and extinguishment of liabilities in the ordinary course of business. The Group presently has no significant sources of operating income and relies on equity contributions and cooperation of creditors and lenders to continue as a going concern.

Since 30 June 2009 the Group has been able to extinguish all hire purchase loans and substantially reduce trade and other payables, partly through the sale of plant and equipment. All asset carrying values have been reviewed and adjusted for impairment where necessary. The Directors are confident in the ability of the Group to successfully raise sufficient funding to continue as a going concern and continue to pay its debts as and when they fall due.

If the Group is not able to raise additional finance, the going concern basis may not be appropriate and as a result the Group may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of Vortex Pipes Limited as at 30 June 2009 and the results of all controlled entities for the year then ended. Controlled entities are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered. Controlled entities are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of controlled entities by the Group. Cost is measured as the fair value of the assets given or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the net assets acquired is recorded as goodwill.

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of controlled entities are consistent with those of the parent entity.

Minority interests, being that portion of the profit or loss and net assets of controlled entities attributable to equity interests held by persons outside the group, are shown separately within the Equity section of the consolidated Balance Sheet and in the consolidated Income Statement.

1. Statement of Significant Accounting Policies (Continued)

d) Income Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated group financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

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

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. 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 reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

e) Research and Development Expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Costs incurred on development projects are recognised as intangible assets when it is probable that the project will, after considering its technical and commercial feasibility, be completed and generate future economic benefits and its costs can be measured reliably. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

f) Plant, equipment, vehicles and other fixed assets

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 following estimated useful lives are used in the calculation of depreciation:

- Plant and equipment – 5 to 15 years
- Motor vehicles – 5 years
- Furniture, fittings and office equipment – 5 to 10 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(n)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

1. Statement of Significant Accounting Policies (continued)

g) Inventories

Lining materials and resins

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and costs necessary to make the sale.

Construction work in progress

Construction work in progress is valued at cost plus profit recognised to date less any provision for anticipated future losses. Cost includes both fixed and variable costs relating to specific contacts.

h) Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired controlled entity at the date of acquisition. Goodwill on acquisitions of controlled entities is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses (if any).

Goodwill is allocated to the Group's sole cash-generating unit for the purpose of impairment testing.

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.

i) Financial Instruments

Recognition and Initial Measurement

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

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit and loss. Transaction costs related to instruments classified as at fair value through profit and loss are expensed to profit and loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

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

Classification and Subsequent Measurement

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amounts due less provision for doubtful debts.

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.

1. Statement of Significant Accounting Policies (continued)

j) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

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 months or less, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

l) 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:

Sale of goods

Revenue from the sale of goods is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are rendered.

Interest revenue

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

Construction and installation contracts

Revenue from construction and installation contracts is recognised using the percentage of completion method, based primarily on contract costs incurred to date, compared to estimated overall contract costs.

Where a loss is expected to occur it is recognised immediately and is made for both work in progress completed to date and for future work on the contract.

m) Foreign currency transactions

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.

n) Impairment of 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.

1. Statement of Significant Accounting Policies (continued)

n) Impairment of assets (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

o) 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 Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from or payable to the ATO are classified as operating cash flows.

p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds and the redemption amount is recognised in the income statement, as interest expense, over the period of the borrowing using the effective interest method.

q) Share-based payments

The Company has an employee share option scheme and has also issued options to certain directors. The fair value of options is recognised as an employee benefit expense in the Income Statement over the vesting period or immediately vesting conditions are satisfied, with a corresponding credit to the Option Premium Reserve. Fair value is determined utilising the Black Scholes option pricing model and assumptions as noted in the financial statements at the end of the period in which the options were granted.

The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

r) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. The Group does not have any finance leases.

s) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

t) 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.

u) 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.

		Consolidated Group		Parent entity	
		2009	2008	2009	2008
		$	$	$	$
2.	**Revenue**				
	Operating Activities				
	Sales	2,437,504	2,424,240	200,416	189,447
	Interest received	4,342	51,795	3,852	51,795
	Government grants received	204,768	353,045	204,768	353,045
	Other	28,924	-	25,866	-
	Total Revenue	2,675,538	2,829,080	434,902	594,287
3.	**Loss from ordinary activities before income tax expense has been determined after:**				
	Expenses				
	Research and development expenditure	413,587	590,557	413,587	590,557
	Impairment of intangible assets	1,007,636	-	622,263	-
	Impairment of plant and equipment	135,220	-	-	-
	Remuneration of auditors of the Company				
	- Auditing the financial statements	33,810	33,000	33,810	33,000
	- Other services	-	1,500	-	1,500
	Operating lease – minimum lease payments	100,008	100,008	100,008	100,008
	Increase/(decrease) in employee provisions	(3,669)	12,982	(12,079)	27,485
4.	**Income Tax**				
	The prima facie income tax expense (benefit) on the loss from ordinary activities reconciles to the income tax expense in the financial statements as follows:				
(a)	**Loss from ordinary activities**	(2,683,919)	(2,600,353)	(4,539,290)	(1,234,823)
	Income tax (benefit) calculated at 30% of operating loss	(805,176)	(780,106)	(1,361,787)	(370,447)
	Future income tax benefit attributable to tax losses not brought to account	1,208,029	129,032	751,459	128,843
	Tax effect of permanent items – non-deductible expenses	265	643	911,382	457
	Tax effect of permanent items – R&D tax concession	-	(5,929)	-	(5,929)
	Tax effect of permanent items –non-deductible cost of employee options	-	4,005	-	4,005
	Income tax expense/(credit) attributable to operating loss	403,118	(652,355)	301,054	(243,071)
	This is represented by:				
	Deferred tax	-	(401,953)	-	7,331
	De-recognition of prior year tax losses	588,521	-	486,457	-
	Taxation rebate for research and development expenditures (see note 7)	(185,403)	(250,402)	(185,403)	(250,402)
		403,118	(652,355)	301,054	(243,071)
(b)	**Non-current liability - Deferred tax liability**				
	The balance comprises temporary differences attributable to:				
	Amounts recognised in profit and loss				
	Technology and patent costs	-	223,990	-	181,990
	Prepayments	27,558	30,897	26,643	29,031
		27,558	254,887	26,643	211,021
	Set -off of deferred tax assets pursuant to set-off provisions (below)	(27,558)	(139,236)	(26,643)	(95,370)
	Net deferred tax liability	-	115,651	-	115,651

		Consolidated Group		Parent entity	
		2009	2008	2009	2008
		$	$	$	$
4.	**Income Tax (continued)**				
(b)	**Non-current liability - Deferred tax liability (continued)**				
	Movements:				
	Opening balance at 1 July	115,651	131,082	115,651	131,082
	Charged to the income statement	(115,651)	7,331	(115,561)	7,331
	Credited to equity	-	(22,762)	-	(22,762)
	Closing balance at 30 June	-	115,651	-	115,651
	Deferred tax liabilities to be settled after more than 12 months	-	115,651	-	115,651
(c)	**Non-current asset – Deferred tax asset**				
	The balance comprises temporary differences attributable to:				
	Amounts recognised in profit and loss				
	Accrued expenses	105,116	19,523	5,973	6,900
	Employee benefits	31,943	33,833	20,526	26,248
	Other	61	122	-	-
	Tax losses	-	726,424	-	-
		137,120	779,902	26,499	33,148
	Amounts recognised directly in equity				
	Share issue expenses	41,299	63,506	40,658	62,222
		178,419	843,408	67,157	95,370
	Set -off of deferred tax assets pursuant to set-off provisions	(27,558)	(139,236)	(26,643)	(95,370)
		150,861	704,172	40,514	-
	De-recognition of deferred tax assets	(150,861)	-	(40,514)	-
	Net deferred tax asset	-	704,172	-	-

The future income tax benefits attributable to tax losses not brought to account for the Group amounting to $1,111,933 (2008 - $254,131) will only be obtained if the Company derives assessable income of a nature and of an amount sufficient to enable the benefit from the deductions to be realised, conditions for deductibility imposed by the law are complied with, and no changes in tax legislation adversely affect the realisation of the benefit from the tax losses.

		Consolidated 2009	Consolidated 2008	Parent 2009	Parent 2008
5	**Cash and cash equivalents**				
	Cash at bank	10,948	148,648	10,944	34,336
6.	**Inventories**				
	Materials on hand, at cost	63,370	84,728	-	21,358
	Work in progress	-	93,760	-	-
		63,370	178,488	-	21,358

	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent entity 2009 $	Parent entity 2008 $
7. Trade and other receivables				
Current				
Trade receivables	430,179	273,409	-	-
Provision for impairment of receivables (note (a))	(385,897)	-	-	-
	44,282	273,409	-	-
Sundry debtors and prepayments	121,064	109,086	116,838	99,422
Taxation rebate for research and development expenditures	185,403	250,402	185,403	250,402
Amount owing by controlled entities	-	-	-	2,121,065
	350,749	632,897	302,241	2,470,889
Non current				
Amount owing by controlled entities	-	-	1,875,203	-
Provision for impairment	-	-	(1,875,203)	-
	-	-	-	-

(a) Impaired trade receivables

As at 30 June 2009 current trade receivables of the Group with a nominal value of $385,897 (2008: nil) were impaired. The amount of the provision was $385,897 (2008: nil). The impairment relates to a single trade debtor, and although it is considered that a portion, if not all, of the debt will be recovered, a provision has been made because of the uncertainty of the matter.

	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent entity 2009 $	Parent entity 2008 $
8. Plant and Equipment				
Plant and equipment at cost	1,145,695	1,170,753	90,011	90,011
Accumulated depreciation and impairment	(618,831)	(331,662)	(81,054)	(74,865)
	526,864	839,091	8,957	15,146
Motor vehicles at cost	498,801	483,553	26,818	26,818
Accumulated depreciation	(162,855)	(87,985)	(20,690)	(18,647)
	335,946	395,568	6,128	8,171
Office equipment at cost	63,883	61,502	50,563	48,182
Accumulated depreciation	(51,657)	(48,719)	(40,685)	(40,095)
	12,226	12,783	9,878	8,087
Office furniture at cost	21,833	29,378	10,669	18,214
Accumulated depreciation	(13,582)	(13,653)	(7,884)	(9,951)
	8,251	15,725	2,785	8,263
	883,287	1,263,167	27,748	39,667

8. Plant and Equipment (continued)

Movement in Carrying Amounts:

Consolidated Group

	Plant & Equip	Motor Vehicles	Office Furniture	Office Equipment	Total
Carrying amount at 30 June 2007	804,179	264,952	21,129	24,207	1,114,467
Additions	238,659	186,950	2,108	317	428,034
Disposals	-	-	-	-	-
Depreciation expense	(203,747)	(56,335)	(7,512)	(11,740)	(279,334)
Carrying amount at 30 June 2008	839,091	395,567	15,725	12,784	1,263,167
Additions	4,067	33,249	-	6,690	44,006
Disposals	(14,455)	(10,136)	(2,173)	(356)	(27,120)
Depreciation expense	(166,619)	(82,734)	(5,301)	(6,892)	(261,546)
Impairment expense	(135,220)				(135,220)
Carrying amount at 30 June 2009	526,864	335,946	8,251	12,226	883.287

Parent Entity

	Plant & Equip	Motor Vehicles	Office Furniture	Office Equipment	Total
Carrying amount at 30 June 2007	18,806	10,895	11,876	14,816	56,393
Additions	6,195	-	1,400	318	7,913
Disposals	-	-	-	-	-
Depreciation expense	(9,855)	(2,724)	(5,014)	(7,046)	(24,639)
Carrying amount at 30 June 2008	15,146	8,171	8,262	8,088	39,667
Additions	-	-	-	6,690	6,690
Disposals	-	-	(2,172)	(356)	(2,528)
Depreciation expense	(6,189)	(2,043)	(3,305)	(4,544)	(16,081)
Carrying amount at 30 June 2009	8,957	6,128	2,785	9,878	27,748

	Consolidated Group		Parent entity	
	2009	2008	2009	2008
	$	$	$	$
9. Other Financial Assets				
Non current				
Investments in subsidiaries	-	-	1,162,370	1,162,370
Provision for impairment	-	-	(1,162,370)	-
	-	-	-	1,162,370
10. Intangible Assets				
Technology rights at cost	500,000	500,000	500,000	500,000
Capitalised patent expenditure at cost	548,022	442,343	548,022	442,343
Accumulated Amortisation – technology rights and capitalised patent expenditure	(425,759)	(335,710)	(425,759)	(335,710)
Provision for impairment - technology rights and capitalised patent expenditure	(622,263)	-	(622,263)	-
Licence and know-how at cost	360,100	360,100	-	-
Accumulated Amortisation – licence	(100,000)	(60,000)	-	-
Provision for impairment	(260,100)	-		
Goodwill at cost	125,273	125,273	-	-
Provision for impairment	(125,273)	-	-	-
	-	1,032,006	-	606,633

	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent entity 2009 $	Parent entity 2008 $
10. Intangible Assets (continued)				
Movement in carrying amount				
Opening net book amount at 1 July	1,032,006	1,066,228	606,633	600,855
Additions	105,679	76,245	105,679	76,245
Amortisation charge	(130,049)	(110,467)	(90,049)	(70,467)
Impairment provision	(1,007,636)	-	(622,263)	-
Closing net book amount at 30 June	-	1,032,006	-	606,633

The recovery of the carrying value of the technologies is dependent upon profit earned from licensing and/or sales of the technologies. The carrying value of the Vortex Pipes technology is reviewed annually to ensure the carrying value is not in excess of its recoverable amount. The technology rights and patent expenditure have been fully written off.

Intangible assets, other than goodwill, have finite useful lives. Goodwill has an infinite life. All goodwill has been written off.

	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent entity 2009 $	Parent entity 2008 $
11. Trade and other payables				
Current				
Unsecured trade creditors	254,051	314,870	177,414	168,997
Sundry creditors and accruals	740,756	296,814	344,152	210,923
	994,807	611,684	521,566	379,920
12. Financial liabilities				
Current – secured				
Hire purchase loans – due within one year	139,991	123,385	-	-
Current – unsecured				
Bank overdraft	31,799	-	-	-
Alinta Asset Management (2) Pty Ltd	274,346	254,746	-	-
Chartag Pty Ltd	-	797	-	-
London Wall Investments Pty Ltd	15,000	-	-	-
	461,136	378,928	-	-
Non current – secured				
Hire purchase loans – due within one to five years	393,936	533,934	-	-

(a) Alinta Asset Management (2) Pty Ltd

The unsecured loan bears interest at 8%p.a. (2008 – 8% interest). This loan was originally repayable on 31 December 2007 and has been extended.

(b) Chartag Pty Ltd

This loan was repaid during the financial year.

(c) London Wall Investments Pty Ltd

This loan has no fixed repayment term and is interest free.

(d) Financing arrangements

There are no unused lines of credit available for use by the Group or parent entity at balance date.

	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent entity 2009 $	Parent entity 2008 $
13. Provisions				
Current				
Provision for holiday pay	40,171	44,868	26,651	37,220
Non current				
Provision for long leave entitlements	31,321	30,293	21,250	22,760
14. Issued Capital				
75,816,212 fully paid ordinary shares (2008 – 72,749,545)	6,921,628	6,691,628	6,921,628	6,691,628
Movements in number of issued shares:				
At beginning of reporting period	72,749,545	62,749,545	72,749,545	62,749,545
Issued during the year for cash	3,066,667	10,000,000	3,066,667	10,000,000
At reporting date	75,816,212	72,749,545	75,816,212	72,749,545

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

Information relating to the Vortex Pipes Employee Share Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 19(e)(i).

	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent entity 2009 $	Parent entity 2008 $
15. Loss per Share				
Weighted average number of shares used as denominator for basic and diluted loss per share calculations	74,555,938	64,452,970	74,555,938	64,452,970

16. Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity holding 2009 %	Equity holding 2008 %
Premium Pipe Services Pty Ltd	Australia	Ordinary	100	100
QuickPipes Pty Ltd	Australia	Ordinary	80	80

17. Business Combination

(a) Summary of acquisition

No acquisitions were made during the financial year.

In the previous financial year, the parent entity acquired 80% of the share capital of QuickPipes Pty Ltd on the incorporation of that company.

For the year ended 30 June 2009, the acquired business contributed revenues of $nil and a net loss of $14,432 to the Group (2008: Revenues $nil and Net Loss $630 - for the period 8 May 2008 to 30 June 2008).

17. Business Combination (continued)

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent entity 2009 $	Parent entity 2008 $
Purchase consideration:				
- Cash	-	8	-	8
	-	8	-	8

(b) Assets and liabilities acquired

	Consolidated Group 2009 $	Consolidated Group 2008 $
Cash and cash equivalents	-	10
Net identifiable assets acquired	-	10
Minority equity interest in acquisition	-	(2)
	-	8

18. Cash Flow Information

	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent entity 2009 $	Parent entity 2008 $
Reconciliation of cash flows from operations with loss from ordinary activities after income tax				
Loss from ordinary activities	(3,087,037)	(1,947,998)	(4,238,236)	(991,752)
Non-cash flows in loss				
Depreciation	261,546	279,334	16,081	24,638
Amortisation of patent and technology rights and intangibles	130,049	110,467	90,049	70,467
Net loss on disposal of plant & equipment	17,756	-	2,529	-
Impairment of intangibles	1,007,636	-	622,263	-
Impairment of plant and equipment	135,220	-	-	-
Provision for doubtful debts	385,897	-	1,875,203	-
Provision for diminution in value of investment	-	-	1,162,370	-
Transfer to option reserve	-	13,349	-	13,349
Changes in assets and liabilities:				
(Increase)/decrease in current receivables	(103,753)	165,358	48,211	41,448
Decrease/(increase) in inventories	115,118	671,211	21,358	(3,607)
Increase/(decrease) in provision for deferred tax	588,521	(401,953)	(115,654)	7,330
Increase /(decrease) in current payables	414,927	(1,396,024)	141,650	(533,382)
(Decrease)/increase in employee leave provisions	(3,669)	12,982	(12,079)	27,485
Net cash provided by (used in) operating activities	(137,789)	(2,493,274)	(386,255)	(1,344,024)

a) Non-cash investing and financing activities

	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent entity 2009 $	Parent entity 2008 $
Acquisition of plant and equipment and motor vehicles by means of hire purchase agreements	-	283,560	-	-

19. Key management personnel disclosures

(a) Directors

The following persons were directors of Vortex Pipes Limited during the financial year:

MB Jenkins	Non-executive Chairman	Appointed 24 September 2008
	Non-executive Director	Appointed 1 July 2008
TA Gosatti	Managing Director	

19. Key management personnel disclosures (continued)

(a) Directors (continued)

JT Phillips	Non-executive Director	Appointed 1 July 2008
JK McDonald	Non-executive Chairman	Resigned 17 September 2008
AM Zuiderwyk	Non-executive Director	Resigned 10 November 2008

Directors were in office for the entire financial year unless otherwise stated.

(b) Other key management personnel

The following person also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

R Cameron-Wilton - Chief Financial Officer/Company Secretary – employed by Vortex Pipes Limited (appointed Chief Financial Officer 2 February 2009 and appointed Company Secretary 4 April 2009)
GJ Nairn – previously Chief Financial Officer – employed by Vortex Pipes Limited (retired 20 February 2009)
MB Morris – General Manager of Premium Pipe Services Pty Ltd – employed by Premium Pipe Services Pty Ltd (resigned 9 January 2009)

(c) Loans to key management personnel

There have not been any loans made to directors or other key management personnel of the Company, including their personally related parties.

(d) Key management personnel compensation

	Consolidated Group		Parent entity	
	2009 $	2008 $	2009 $	2008 $
Short-term employee benefits	509,445	391,098	430,351	307,818
Post-employment benefits	34,653	31,435	28,515	25,004
Termination benefits	4,990	-	4,990	-
Share-based payments	-	2,086	-	2,086
	549,088	424,619	463,856	334,908

(e) Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration

Details of options provided as remuneration, together with the terms and conditions of the options, can be found in section D of the remuneration report on page 11.

Options to employees are granted under the Vortex Pipes Employee Share Option Plan which was approved by shareholders on 18 December 2003. Options are granted under the plan for no consideration.

Options to directors are approved by shareholders before issue and are granted for no consideration.

19. Key management personnel disclosures (Continued)

(ii) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of Vortex Pipes Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2009 Name	Balance at the start of the year	Issued during the year as compensation	Exercised during the year	Options lapsed during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Directors of Vortex Pipes Limited						
MB Jenkins	1,000,000	-	-	-	1,000,000	1,000,000
JT Phillips	-	-	-	-	-	-
TA Gosatti	400,000	-	-	-	400,000	400,000
JK McDonald	300,000	-	-	-	300,000	300,000
AM Zuiderwyk	200,000	-	-	-	200,000	200,000
Other key management personnel of the Group						
R Cameron-Wilton	-	-	-	-	-	-
GJ Nairn	-	-	-	-	-	-
MB Morris	-	-	-	-	-	-

No options are vested and unexercisable at year end.

2008 Name	Balance at the start of the year	Issued during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Directors of Vortex Pipes Limited						
JK McDonald	481,818	-	-	(181,818)	300,000	300,000
TA Gosatti	627,274	-	-	(227,274)	400,000	400,000
WJ Land	313,636	-	-	(113,636)	200,000	200,000
AM Zuiderwyk	22,727	200,000	-	(22,727)	200,000	200,000
Other key management personnel of the Group						
GJ Nairn	100,000	-	-	(100,000)	-	-
MB Morris	-	-	-	-	-	-

There were no ordinary shares issued during the financial year as a result of the exercise of remuneration options (2008: nil).

(iii) Share holdings

The number of ordinary shares in the Company held during the financial year by each director and other key management employees of the Company, including their personally related parties, is set out below. There were no shares granted during the reporting period as compensation.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

19. Key management personnel disclosures (continued)

Name	Balance at 30 June 2008	Changes during the year	Balance at 30 June 2009	Balance at 30 June 2007	Changes during the year	Balance at 30 June 2008
Directors of Vortex Pipes Limited						
MB Jenkins	2,690,151	-	2,690,151	-	-	-
TA Gosatti	6,170,919	3,066,667	9,237,586	2,154,906	4,016,013	6,170,919
JT Phillips	1,066,667	-	1,066,667			
WJ Land	236,365	(236,365)	-	277,273	(40,908)	236,365
AM Zuiderwyk	73,855	(73,855)	-	73,855	-	73,855
JK McDonald	763,636	(763,636)	-	463,636	300,000	763,636
Other key management personnel of the Group						
R Cameron-Wilton	-	-	-	-	-	-
GJ Nairn	440,000	(440,000)	-	240,000	200,000	440,000
MB Morris	-	-	-	-	-	-

In addition it is noted that Messrs Jenkins, Phillips and Gosatti have been allotted additional ordinary shares since the end of the financial year pursuant to a non renounceable Rights Issue announced by the Company on 14 July 2009.

(f) Other transactions with key management personnel

Mr TA Gosatti, is a director of Chartag Pty Ltd and Premium Corporation Pty Ltd, both of which rent a heavy vehicle and other motor vehicles as well as supplying equipment to Premium Pipe Services Pty Ltd. These transactions were undertaken at market rates on normal terms and conditions.

Mr MB Jenkins is a director of London Wall Investments Pty Ltd, a company which has loaned Vortex $15,000. Refer Note 12(c).

Aggregate amounts of each of the above types of other transactions with key management personnel of the Company:

	Consolidated Group		Parent entity	
	2009 $	2008 $	2009 $	2008 $
Amounts recognised as expense				
Vehicle and equipment hire	36,488	27,054	-	-
Aggregate amounts of assets and liabilities at balance date relating to the above types of other transactions with key management personnel of the Company:				
Current liabilities	15,000	16,640	-	16,640
Non-current assets	28,694	22,185	28,694	-

20. Contingent Liabilities

There are no contingent liabilities existing as at 30 June 2009.

21. Commitments

	Consolidated Group		Parent entity	
	2009	2008	2009	2008
	$	$	$	$
The Parent entity leases office and warehouse space under a non-cancellable operating lease.				
Commitments for minimum lease payments in relation to this lease are as follows:				
Within one year	140,122	58,338	140,122	58,338
Later than one year but not later than five years	70,061	-	70,061	-
	210,183	58,338	210,183	58,338

The property lease was a non-cancellable lease with a two year term, with rent payable monthly in advance. There are no contingent rentals and no option presently exists to extend the term.

22. Financial Risk Management

(a) Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans to controlled entities and hire purchase loans.

The main purpose of non-derivative financial instruments is to raise finance for group operations.

Derivatives are used by the Group, albeit sparingly, for hedging purposes and only include forward exchange contracts. The Group does not speculate in the trading of derivative instruments. The Group does not apply hedge accounting.

i Treasury Risk Management

A committee consisting of the chief executive officer and the chief financial officer (or persons fulfilling the equivalent of those roles) meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of current economic conditions and forecasts.

The overall risk management strategy seeks to minimise potential adverse effects on financial performance. The committee operates under policies approved by the board of directors which are reviewed on a regular basis. These include the use of forward exchange contracts, credit risk policies and future cash requirements.

ii Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk and credit risk.

Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, was restricted to the rate of interest being earned on cash deposits and paid on the loan from Alinta Asset Management (2) Pty Ltd. The interest rate risk on call cash balances was 0% – 5.7% (2008 – 5% – 8%) and on the loan from Alinta Asset Management (2) Pty Ltd was 8.00%. All other financial assets and financial liabilities were non-interest bearing. The Group does not have a material exposure to interest rate fluctuations.

Foreign Currency Risk

The Group is exposed to fluctuations in foreign currencies arising from the purchase of goods and services in currencies other than Australian Dollars. The Group enters into forward exchange contracts to buy specified amounts of foreign currencies in the future at stipulated exchange rates. The objective of these contracts is to protect the Group against unfavourable exchange rate movements for contracted purchases undertaken in foreign currencies.

22. Financial Risk Management (continued)

(a) Financial Risk Management Policies (continued)

Liquidity Risk

The Group manages liquidity risk by monitoring forecast cash flows and closely controlling expenditure commitments.

Credit Risk

The Company has adopted the policy of only dealing with counter parties it believes to be creditworthy as a means of mitigating the risk of financial loss from defaults. The Company makes adequate provisions where necessary.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for doubtful debts, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

(b) Financial Instruments

Financial instrument composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, together with management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing Within 1 Year		Fixed Interest Rate Maturing 1 to 5 Years		Non-interest Bearing Within 1 Year		Total	
Consolidated Group	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	%	%	$	$	$	$	$	$	$	$	$	$
Financial Assets												
Cash	3.9	6.3	10,948	148,648	-	-	-	-	-	-	10,948	148,648
Receivables	-	-	-	-	-	-	-	-	258,884	529,907	258,884	529,907
Total financial assets			10,948	148,648	-	-	-	-	258,884	529,907	269,832	678,555
Financial Liabilities												
Trade and sundry payables	18.75	-	16,677	-	-	-	-	-	1,009,931	611,684	1,026,608	611,684
Hire purchase liabilities	10.3	10.3	-	-	185,101	185,101	404,123	596,636	-	-	589,224	781,737
Other loans	8.0	8.0	-	-	274,346	255,543	-	-	15,000	-	289,346	255,543
Total financial liabilities			16,677	-	459,447	440,644	404,123	596,636	1,024,931	611,684	1,905,178	1,648,964

22. Financial Risk Management (continued)

(b) Financial Instruments (continued)

Parent Entity	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing Within 1 Year		Fixed Interest Rate Maturing 1 to 5 Years		Non-interest Bearing Within 1 Year		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	%	%	$	$	$	$	$	$	$	$	$	$
Financial Assets												
Cash	3.51	5.66	10,944	34,336	-	-	-	-	-	-	10,944	34,336
Receivables	-	-	-	-	-	-	-	-	213,427	253,053	213,427	253,053
Related parties	-	-	-	-	-	-	-	-	-	2,121,065	-	2,121,065
Total financial assets			10,944	34,336	-	-	-	-	213,427	2,374,118	224,371	2,408,454
Financial Liabilities												
Trade and sundry payables	18.75	-	16,677	-	-	-	-	-	504,890	379,920	521,567	379,920
Total financial liabilities			16,677	-	-	-	-	-	504,890	379,920	521,567	379,920

(c) Impairment losses

The Group has provided for impairment of receivables where appropriate (refer Note 7). The ageing of the Group's trade receivables at the reporting date was as follows:

	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent entity 2009 $	Parent entity 2008 $
Not past due	15,813	190,612	-	-
Past due 0-30 days	28,468	76,200	-	-
Past due 31-120 days	-	6,201	-	-
Past due 121days to one year	-	396	-	-
				-
	44,281	273,409	-	-

(d) Net Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1 to the financial statements.

23. Related Party Transactions

(a) Parent entity

The parent entity within the Group is Vortex Pipes Limited.

(b) Controlled entities

Interests in controlled entities are set out in note 16.

23. Related Party Transactions (continued)

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 19.

(d) Transactions with related parties

	Consolidated Group		Parent entity	
	2009 $	2008 $	2009 $	2008 $
The following transactions occurred with related parties:				
Sales of goods and services				
Recharges to controlled entities	-	-	169,786	134,649
Other transactions				
Net expenses and cash advances paid on behalf of/to controlled entities	-	-	-	1,582,417
Recharges from controlled entities	-	-	4,530	9,144
Loan from Chartag Pty Ltd	-	33,460	-	-
Loan repayments to Chartag Pty Ltd	797	115,000	-	-
Interest payable to Chartag Pty Ltd	-	1,404	-	-
Loan from London Wall Investments Pty Ltd	15,000	-	-	-

(e) Outstanding balances arising from transactions with related parties

Current receivable – controlled entities	-	-	-	2,121,065
Current payable – Chartag Pty Ltd	14,653	797	-	-
Current payable – London Wall Investments Pty Ltd	49,371	-	49,371	-
Current payable – J T Phillips	26,500	-	26,500	-
Current payable - Premium Corporation Pty Ltd	3,519	-	-	-

(f) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of the amounts owing by the controlled entities.

Refer to note 12 for details of the terms and conditions attached to the amounts owing to Chartag Pty Ltd and London Wall Investments Pty Ltd.

24. Standby Arrangements and Credit Facilities

The Company has no access to any credit standby arrangements.

25. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable in the circumstances. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

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 1(e) and 1(n). As at 30 June 2009 the Group has fully provided for the remaining carrying values of all intangible assets, owing to the significant uncertainty for future operations.

26. Segment information

The consolidated group and the parent entity operate in one business segment, namely the trenchless technology industry, and in one geographical segment being Australia.

27. Share-based payments

The following share-based payment arrangements existed at 30 June 2009:

On 5 August 2004, 600,000 share options were issued to directors to take up ordinary shares at an exercise price of 30 cents each. The options are exercisable on or before 5 August 2009. The options hold no voting or dividend rights. As at 30 June 2009, 400,000 of these options have lapsed.

On 18 February 2005, 200,000 share options were issued to employees under the Vortex Pipes Employee Share Option Plan to take up ordinary shares at an exercise price of 30 cents each. The options are exercisable on or before 18 February 2010. The options hold no voting or dividend rights. As at 30 June 2009, 50,000 of these options have lapsed.

On 31 December 2005, 20,000 share options were issued to an employee under the Vortex Pipes Employee Share Option Plan to take up ordinary shares at an exercise price of 30 cents each. The options are exercisable on or before 31 December 2010. The options hold no voting or dividend rights.

On 30 November 2006, 250,000 share options were issued to directors to take up ordinary shares at an exercise price of 30 cents each. The options are exercisable on or before 5 August 2009. The options hold no voting or dividend rights.

On 30 November 2006, 250,000 share options were issued to directors to take up ordinary shares at an exercise price of 35 cents each. The options are exercisable on or before 5 August 2009. The options hold no voting or dividend rights.

On 20 November 2007, 100,000 share options were issued to a director to take up ordinary shares at an exercise price of 30 cents each. The options are exercisable on or before 5 August 2009. The options hold no voting or dividend rights.

On 20 November 2007, 100,000 share options were issued to a director to take up ordinary shares at an exercise price of 35 cents each. The options are exercisable on or before 5 August 2009. The options hold no voting or dividend rights.

On 31 May 2008, 1,000,000 share options were issued to a service provider to take up ordinary shares at an exercise price of 20 cents each. The options are exercisable on or before 31 May 2011. The options hold no voting or dividend rights.

	Consolidated Group				Parent entity			
	2009		2008		2009		2008	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Outstanding at the beginning of the year	2,270,000	0.268	1,920,000	0.322	2,270,000	0.268	1,920,000	0.322
Granted	-	-	1,200,000	0.2208	-	-	1,200,000	0.2208
Forfeited	-	-	(850,000)	0.3235	-	-	(850,000)	0.3235
Expired	(200,000)	-	-	-	(200,000)	-	-	-
Cancelled	-	-	-	-	-	-	-	-
Outstanding and exercisable at year end	2,070,000	0.268	2,270,000	0.268	2,070,000	0.268	2,270,000	0.268

There were no options exercised during the year ended 30 June 2009 (2008 – nil).

The options outstanding at 30 June 2009 had a weighted average exercise price of $0.268 and a weighted average remaining contractual life of 1.01 years. Exercise prices range from $0.20 to $0.35 in respect of options outstanding at 30 June 2009. Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate.

28. Events after the Balance Sheet Date

On 14 July 2009, the Company announced a non-renounceable pro-rata Rights Issue of fully paid ordinary shares to existing shareholders to raise up to approximately $1.14 million before issue costs. The Rights Issue was made at an issue price of $0.03 per share on the basis of one (1) new share for every two (2) shares held at the Record Date (22 July 2009). The proceeds from the Rights Issue have been applied towards supplementing the Company's working capital.

At the closure date, 14,521,959 shares were taken up raising $435,658.77 for the Company, before costs. These shares were issued and allotted, and statements of shareholdings despatched, on Friday, 21 August 2009. The Directors, in conjunction with the Lead Managers and other parties, sought to place the shortfall. This effort ceased when the Company was placed in suspension in September 2009.

The Directors took advice subsequently on avenues open to the Company, including Administration. They also solicited re-capitalisation offers from a number of parties in the period until mid-December 2009, one of which was Centurion Securities and Investment Services Pty. Ltd ("Centurion").

On 11 January 2010, the Company announced the execution of an agreement with Centurion for an agreement to issue a convertible note. On 16 July 2010, the Company announced that Centurion did not fulfil its obligations as required under the executed agreement and that the agreement had become null and void, in the Company's view.

The Company successfully installed re-lining for several local and the state utilities. However, the effect of the global financial crisis meant that future work could not be assured. The Company therefore decided to wind down the contracting division in December 2009 and all staff were retrenched. In July 2010, the remaining equipment was sold to a third party.

On 10 December 2010 the Company raised $100,000 in cash through the issue of Convertible Loan Notes.

The terms of the Notes provide that interest at the rate of 10% is payable. The ability of the lender to convert the loan to equity was contingent on shareholder approval and a number of other conditions being attained. The Notes were otherwise repayable on 28 February 2011 and were paid out at that time.

Subsequent to that transaction, the Company has signed a Binding Term Sheet with an undisclosed party regarding a potential recapitalisation and injection of new funds. The agreement has a number of conditions precedents to be met before being completed. This potential transaction will settle previous liabilities and provide the pathway for the Company to exploit its existing Shieldliner asset and to look at further opportunities.

In relation to amounts owing to Alinta Asset Management at 30 June 2009 of $275,000 subsequently a deed of release of debt was signed on 7 April 2011 between the parties, agreeing to release Vortex from $258,646 of the total debt, provided Vortex pays the balance of $50,000 (GST excl).

29. Change in Accounting Policy

The following Australian Accounting Standards have been issued or amended and are applicable to the parent and consolidated group but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date. Application of these standards is expected to affect the presentation and disclosure of the financial statements only, and is not expected to materially impact the financial position of the Group.

AASB Amendment	Standards Affected	Outline of Amendment	Application Date of Standard	Application Date for Group
AASB 2007–3 Amendments to Australian Accounting Standards	AASB 102 Inventories AASB 107 Cash Flow Statements AASB 119 Employee Benefits AASB 127 Consolidated and Separate Financial Statements AASB 134 Interim Financial Reporting AASB 136 Impairment of Assets	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing of AASB 8: Operating Segments in February 2007. These amendments will involve changes to segment reporting disclosures within the financial report. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report.	1.1.2009	1.7.2009
AASB 8 Operating Segments	AASB 114 Segment Reporting	As above	1.1.2009	1.7.2009

29. Change in Accounting Policy

The following Australian Accounting Standards have been issued or amended and are applicable to the parent and consolidated group but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date. Application of these standards is expected to affect the presentation and disclosure of the financial statements only, and is not expected to materially impact the financial position of the Group.

AASB Amendment	Standards Affected	Outline of Amendment	Application Date of Standard	Application Date for Group
AASB 2007–6 Amendments to Australian Accounting Standards	AASB 101 Presentation of Financial Statements AASB 107 Cash Flow Statements AASB 111 Construction Contracts AASB 116 Property, Plant and Equipment AASB 138 Intangible Assets	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report.	1.1.2009	1.7.2009
AASB 123 Borrowing Costs	AASB 123 Borrowing Costs	As above	1.1.2009	1.7.2009
AASB 2007–8 Amendments to Australian Accounting Standards	AASB 101 Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income.	1.1.2009	1.7.2009
AASB 101	AASB 101 Presentation of Financial Statements	As above	1.1.2009	1.7.2009

VORTEX PIPES LIMITED
ABN 80 096 870 978

AUSTRALIAN STOCK EXCHANGE LIMITED ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited and not shown elsewhere in this report is detailed below. All information relating to shareholders is reflected as at 8 September 2011.

Number of Holders of Equity Securities

103,888,901 fully paid ordinary shares are held by 617 individual shareholders.

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

167 shareholders holding a total of 1,209,487 shares held less than marketable parcels (based on the last ASX trading price of $0.042).

There are presently no unlisted options outstanding.

Distribution of Holders of Equity Securities

Holders of Fully Paid Ordinary Shares

			Number of Shareholders	Number of Fully Paid Ordinary Shares	Percentage of Issued Capital
1	-	1,000	7	457	-
1,001	-	5,000	30	103,434	0.10%
5,001	-	10,000	123	1,028,036	0.99%
10,001	-	100,000	340	13,695,841	13.18%
100,001 and over			118	89,061,133	85.73%
			615	103,888,901	100.00%

Substantial Shareholders

Name	Number of Fully Paid Ordinary Shares	Percentage of issued Capital
Golden Rivers Mining Pty Ltd	14,356,686	13.82
Gosatti Corporation Pty Ltd	11,710,276	11.26
	26,066,962	25.08%

Restricted Securities

There are no restricted securities.

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AUSTRALIAN STOCK EXCHANGE LIMITED ADDITIONAL INFORMATION

20 Largest Holders of Fully Paid Ordinary Shares (merged)

Name	Number of Fully Paid Ordinary Shares	Percentage of issued Capital
Golden Rivers Mining Pty Ltd	14,356,686	13.82
Gosatti Corporation Pty Ltd <Renaissance A/C>	4,960,001	4.77
Gosatti Corporation Pty Ltd <Renaissance A/C>	4,949,735	4.76
CS Fourth Nominees Pty Ltd	3,350,000	3.22
London Wall Investments Pty Ltd <Jenkins Family Fund>	3,295,454	3.17
Bayonet Investments Pty Ltd <Southpoint A/C>	3,000,000	2.89
Thomas Francis Corr	3,000,000	2.89
Perizia Investments Pty Ltd	2,762,280	2.66
Bluerise Holdings PTY LTD <Bluerise A/C>	2,550,730	2.46
Venus Anetac Pty Ltd <RGC Family A/C>	2,500,000	2.41
Mount Street Investments Pty Ltd <MJ Blake S/F A/C>	2,500,000	2.41
Gosatti Corporation Pty Ltd	1,800,540	1.73
Nicholas Michael Noble	1,785,162	1.72
Gerald Wells	1,653,959	1.59
Sumajo Nominees Pty Ltd <J Phillips Family Sett>	1,600,001	1.54
Mercury Anetac Cap Pty Ltd	1,501,590	1.45
S & H Piviali <Piviali Investment A/C>	1,500,000	1.44
Chartag Pty Ltd	1,396,104	1.34
PA & NT Porter <Porter Family A/C>	936,667	0.90
Adriano Piviali	936,111	0.90
	60,335,020	58.07%