VICULUS LIMITED

Annual Financial Report

For the Year Ended 30 June 2014

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DIRECTORS' REPORT

The directors present their report on Viculus Limited ("the Company") for the financial year ended 30 June 2014. The Company does not have any subsidiaries or controlled entities.

Directors

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

John Harold Darling (resigned 17 February 2014)
Robert Parton (resigned 10 January 2014)
Samuel Timothy Armytage (resigned 15 January 2014)
Emily D'Cruz (appointed 11 June 2013)
T S De Silva (appointed 10 January 2014; resigned 23 May 2014)
Derek Lo (appointed 17 February 2014; resigned 25 August 2014)
Alexander Robert Cowie (appointed 23 May 2014)
Alison Mary Coutts (appointed 23 May 2014)

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

Company Secretary

The following person held the position of company secretary at the end of the financial year: Mr Sam Armytage resigned as Company Secretary on 15 January 2014. Mr Derek Lo was appointed company secretary on the 15 January 2014.

Principal activity

The Company has formally launched an off-market takeover bid for Euro Petroleum which holds the contractual rights to a Sri Lankan graphite project. The company is seeking re-quotation of the Company's ordinary shares on the Australian Securities Exchange.

Dividends

No dividends have been paid or declared, and no dividends have been recommended by the Directors.

Operating results and review of operations

Operating results

The loss of the Company after providing for income tax amounted to $279,044 in 2014 (2013: Loss $77,072).

Review of operations

Capital Raising

During the financial year, the company has successfully issued a further 5,086,930 shares, raising the company's capital by $406,415.

On the 25th of August 2014, the Company held an Annual General Meeting and the resolution for further capital raising by allotting and issuing up to 25,000,000 shares under a prospectus to be issued by the Company to raise up to $5,000,000 was approved and carried at the meeting.

Company prospectus

The Company lodged its prospectus with ASIC on 20 October 2014. On the 27 October, ASIC has placed an interim stop order on this prospectus. The Company and its directors are currently working to address ASIC's concerns.

Sri Lanka graphite project

The Company has made an off-market bid for all the shares in Euro Petroleum and has received acceptances of Takeover Bid over 90% on the 19 November 2014. The takeover of Euro Petroleum will shift the Company's future strategy to focus on exploration and development of graphite tenements in Sri Lanka following the successful completion of re-admission to the ASX.

Significant Events after the Balance Date

The Company has lodged a prospectus with ASIC on 16 October 2014 and received acceptances of over 90% of Euro Petroleum Ltd shares pursuant to the Bidder's Statement dated 1 August 2014 and Supplementary Bidder's Statement dated 25 August 2014. The Company is seeking re-quotation of the Company's ordinary shares on the Australian Securities Exchange (ASX).

The major events occurring subsequent to balance date were:

1. The Company dispatched the Bidder's Statement to Euro Petroleum Ltd Shareholders on 1 August 2014 following a Supplementary Bidder's Statement on the 25 August 2014 pursuant to the Company making an off-market bid for all the shares in Euro Petroleum Ltd
2. Annual General Meeting was held on the 25th of August 2014 where all resolutions were passed.
3. Euro Petroleum Ltd received an approval letter from the Board of Investment of Sri Lanka confirming approval of Euro Petroleum Limited's application to carry out an exploration project at the Sri Lankan tenements on 12 September 2014.
4. Prospectus was lodged with ASIC dated 20 October 2014, in connection with its application for re-admission to the main list of the ASX in accordance with Chapters 1 and 2 of the ASX Listing Rules, proposing a capital raising of between $3.5 million to $5 million by the issue of 17,500,000 to 25,000,000 ordinary shares at an issue price of $0.20 per share. ASIC placed an interim stop order on this prospectus on 27 October 2014 and the directors are working to address ASIC's concerns.
5. On 19 November 2014 acceptances for the Takeover Bid exceeded 90%. The Company has issued a Notice of Substantial Shareholding to Euro that "the Company's" voting power in Euro now exceeds 90%.

Future Developments, Prospect and Business Strategies

The Company is currently working with the Australian Securities and Investments Commission to finalise the Company's prospectus and subsequent re-quotation of the Company's ordinary shares on the Australian Securities Exchange. The Company's future strategy is to focus on exploration and development of graphite tenements in Sri Lanka following the successful completion of re-admission to the ASX

Significant Changes in the state of affairs

The company has continued to be inactive other than its work to acquire Europetroleum Ltd and to relist.

There have been no significant changes in the company's activities

Environmental Issues

The Company's operations are not subject to significant environmental regulation.

Information on Directors

John Darling (resigned 17 February 2014)

John is the principal of Darling Group, a consulting firm specialising in strategic commercial alliances. Recent transactions have been in the mining and technology industries. John has particular interest and expertise in intellectual property law and is a qualified lawyer. He initially practiced with Freehills in Sydney before setting up his own firm.

John was formerly Chairman of Allmine Group Limited (ASX Code: AZG) and was previously on the boards of Marsh Limited, Atos Wellness Limited, Australia Club Limited, St Luke's Hospital Foundation Limited and the Australian Rainforest Foundation . He was the deputy mayor of Woollahra Council from (89-91).

Robert Parton B.Bus (Ace) CPA (Resigned 10 January 2014)

Robert has 25 years' experience in business management, project evaluation and capital-raising across sectors including real estate, finance, energy, manufacturing and retailing.

As a qualified accountant (CPA) Robert brings valuable skills and experience to the Viculus team emphasis on deal sourcing, business planning, financial analysis and risk management, and deal execution.

Sam Armytage LLB, B.Com, M.App.Fin, CFA (Resigned 15 January 2014)

Sam has practised as a solicitor for 14 years and has experience in mergers and acquisitions, ASX listing rules, corporations and securities, financial services, debt recovery, and corporate insolvency.

His qualifications include undergraduate degrees in law and commerce, Master of Applied Finance from University of Melbourne, and postgraduate diploma in investment from FIN SIA. He is also accredited under the CFA Program to use the Chartered Financial Analyst designation (CFA) administered globally.

In addition to his legal skills, Sam has conducted and overseen capital raisings since 2005 as the Responsible Manager for an Australian Financial Services Licensee company.

Emily D'Cruz, (Appointed 11 June 2013)

Ms D'Cruz is a member of the Australian Institute of Company Directors (MAICD) and has results-based experience in corporate and business relationship management in the biotechnology field.

Ms D'Cruz' experience includes consulting widely to public listed companies and government bodies. Her current positions include: Managing Director of an investor relations and corporate consulting firm; a member of the State Government of Victoria's Multicultural Business Ministerial Council; a public officer of the Chinese Community Society of Victoria; and a member of the Advisory Committee of the World Taiwanese Chambers of Commerce.

Ms. D'Cruz is also currently a non-executive chairman for Australian Natural Proteins Limited (ASX Code: AYB), a company which seeks to change the nature of its activities to protein based intensive farming operation.

T.S. De Silva (Appointed 10 January 2014; Resigned 23 May 2014)

Mr T.S. De Silva is a geologist by profession with more than 20 years experience in graphite exploration work in Sri Lanka.

Derek Lo, B.Com LLB Melbourne University (Non-Executive Director) (Appointed 17 February 2014; Resigned 25 August 2014)

Mr Derek Lo is a legal practitioner and a Partner in the law firm Canaan Lawyers. Mr Lo has acted for and advised companies including listed and public companies based in Australia and in the wider Asia Pacific region in a range of industries including manufacturing, wholesale and retail businesses, financial services, international trade, professional services, education and construction. Mr Lo is a registered foreign lawyer in Hong Kong. Mr Lo is currently also the Company Secretary of the Company.

Alexander Robert Cowie (Appointed 23 May 2014)

Alex Cowie is Director Research, Marketing and Distribution for Canaccord Genuity (Australia).

Alex was previously Editor of Diggers and Drillers where he pioneered a strategic minerals strategy, with a focus on the graphite. In early 2012, Alex was the first to publish research on highly successful graphite explorer Syrah Resources. He has been a speaker on the graphite industry at several leading mining conferences, including Mines and Money Australia, and Mines and Money Hong Kong.

Alex holds a Master of Applied Finance through Kaplan Education, where he focused on Mining Valuation, Marketing, and Strategic Management.

Alison Mary Coutts (Appointed 23 May 2014)

Alison has extensive experience across a number of industry sectors and disciplines. This includes international engineering project management in large oil and gas projects with the Bechtel Corporation in the UK, USA and NZ, strategy consulting, management training and organisational structuring with the Boston Consulting Group, and executive search with Egon Zehnder.

Alison is formerly Chair of CSIRO's Health Sector Advisory Council and was a founder and director of eG Capital, which was a preeminent financial advisory firm in the Australian Life Sciences sector. Currently, Alison is a director in Datadot Technology Limited (ASX code: DDT), a company which developed a patented microdot application technology that allows various types of assets and their component parts to be uniquely marked and made uniquely identifiable; and Nusep Holdings, a Life Science company that provides innovative separations technology to redefine biological markets.

Alison has a degree in Chemical Engineering from the University of Melbourne and an MBA with Distinction from the Melbourne Business School, where she also won the CRA prize in Business Policy. She also has a Graduate Diploma in Biotechnology from the University of Melbourne.

Meetings of Directors

During the year, four (4) meeting of the Board of directors was held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Emily D'Cruz	4	4
Derek Lo	3	3
T S De Silva	4	-
John Darling	2	-
Robert Parton	-	-
Samuel Timothy Armytage	-	-
Alexander Robert Cowie	-	-
Alison Mary Coutts	-	-

Indemnifying Officers or Auditor

To the extent permitted by law, the Company has indemnified each director from any liability arising out of the director discharging their duties and providing services as a director.

During or since the end of the financial year, the Company has not paid a premium in respect of insuring directors and officers, or the auditor of the Company for liabilities incurred in the management of the operations of the Company.

Options

- *Unissued Shares*

  No options were issued during the financial year to employees or executives.

- *Shares issued as a result of the exercise of options*

  During the financial year, employees and executives exercised no options to acquire shares of the Company or any related body corporate.

Proceedings on Behalf of Company

There are no legal proceedings on behalf of the Company currently.

Non-Audit Services

The auditors did not provide any non-audit services during the year.

Auditors Independence Declaration

The auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page *5* of the Annual Report.

REMUNERATION REPORT

Remuneration Policy

The remuneration policy of Viculus Limited has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration. The Board of Viculus Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain high-quality KMP to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the company is based on the following:

- The remuneration policy is to be developed by the Board of Directors based on market values, and require the approval of shareholders.
- The executive director(s), prior to the relisting of the company on the Australian Stock Exchange (ASX) receive a base salary, superannuation and options; whereby the base salary will be payable 50% by cash and 50% by shares of the Company.
- The director(s), after the relisting of the company on the ASX, will receive a base salary, superannuation and options; whereby the base salary will be payable 100% by cash.
- Incentives paid in the form of options are intended to align the interest of the directors and company with those of the shareholders. In this regard, KMP are prohibited from limiting risk attached to those instruments by use of derivatives or other means.
- The Board will review the KMP packages once the company has achieved relisting. Changes to KMP packages will require the approval of shareholders.

The Board's remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities.

KMP receive a superannuation guarantee contribution required by the government, which is currently 9.25% of the individual's average weekly ordinary time earnings (AWOTE), and do not receive any other retirement benefits.

Upon retirement, KMP are paid employee benefit entitlements accrued to the date of retirement. Any options not exercised before or on the date of termination will lapse.

All remuneration paid to KMP is valued at the cost to the company and expensed.

KMP are also entitled and encouraged to participate in the employee share and option arrangements to align directors' interests with shareholders' interests.

Options granted under the arrangement do not carry dividend or voting rights. Each option is entitled to be converted into one ordinary share once the interim or final financial report has been disclosed to the public and is valued using the Black-Scholes methodology.

KMP or closely related parties of KMP are prohibited from entering into hedge arrangements that would have the effect of limiting the risk exposure relating to their remuneration.

In addition, the Board's remuneration policy prohibits directors and KMP from using Viculus Limited shares as collateral in any financial transaction, including margin loan arrangements.

Relationship between Remuneration Policy and Company Performances

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. One method available to achieve this aim is the issue of options to the directors and executives to encourage the alignment of personal and shareholder interests.

The following table shows the gross revenue, profits and dividends for the last five years or the listed entity, as well as the share prices at the end of the respective financial year.

	2010 $	2011 $	2012 $	2013 $	2014 $
Revenue	-	16,151,165	1,019	-	-
Net profit	(91,102)	16,096,348	(71,372)	(77,072)	(279,044)
Shares price at year-end [1]	N/A	N/A	N/A	N/A	N/A
Dividends paid	Nil	Nil	Nil	Nil	Nil

[1] Shares have been suspended from trading for the past 10 years.

Employment Details of Members of Key Management Personnel

The following table provides employment details of persons who were, during the financial year, members of KMP of the Company. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

	Position Held as at 30 June 2014 and any Change during the year	Contract Details (Duration and Termination)	Proportions of Elements of Remunerations Related to Performance		Proportions of Elements of Remuneration Not Related to Performance	
			Shares/Units %	Options %	Fixed Salary/Fees %	Total %
Group Key Management Personnel						
Ms Emily D'Cruz	Managing Director (executive)	No fixed term. 6 months notice require to terminate	-	-	100 [1]	100
Ms Alison Coutts	Director (non-executive)	No fixed term.	-	-	100	100
Mr Alex Cowie	Director (non-executive)	No fixed term.	-	-	100	100
Mr Derek Lo	Director (non-executive; retired 25 August 2014)	No fixed term.	-	-	100	100

	Position Held as at 30 June 2014 and any Change during the year	Contract Details (Duration and Termination)	Proportions of Elements of Remunerations Related to Performance		Proportions of Elements of Remuneration Not Related to Performance	
			Shares/Units %	Options %	Fixed Salary/Fees %	Total %
Group Key Management Personnel (cont'd)						
Mr T S DeSilva	Director (non-executive; retired 23 May 2014)	No fixed term.	-	-	100	100
Mr John Harold Darling	Director (non-executive; retired 17 February 2014)	No fixed term.	-	-	100	100
Mr Samuel Timothy Armytage	Director (non-executive; retired 15 January 2014)	No fixed term.	-	-	100	100
Mr Robert Norman Parton	Director (non-executive; retired 10 January 2014)	No fixed term.	-	-	100	100

(1) 50% of the executive director's remuneration up to the date of relisting is to be settled by way of shares at 8 cents per share, a fixed value.

Director's Service Agreements

(a) Executive Employment Agreement with Emily Lee D'Cruz

The Company has entered into an Executive Employment Agree for the engagement of Emily Lee D'Cruz as an executive director of the Company. The remuneration to be paid by the Company to Ms D'Cruz is the sum of $120,000 per annum, and $30,000 in director's fee once the Company has achieved re-listing on Australian Stock Exchange.

(b) Director Service Agreement – Alex Cowie

The Company has entered into a Directors Service Agreement with Alex Cowie. Pursuant to such agreement, Alex shall be entitled to Director's fee of $30,000 per annum once the Company has achieved re-listing on Australian Stock Exchange.

(c) Director Service Agreement – Alison Coutts

The Company has entered into a Directors Service Agreement with Alison Coutts. Pursuant to such agreement, Alison shall be entitled to Director's fee of $30,000 per annum once the Company has achieved re-listing on Australian Stock Exchange.

Changes in Directors and Executives Subsequent to Year-end

On 25 August 2014, Mr Derek Lo retired as a Director.

Table of Benefits and Payments for the Year Ended 30 June 2014

		Short Term Benefits			Post-Employment Benefits		Total
		Salary, Fees and Leave	Non-Monetary	Other	Pension and Superannuation	Other	
		$	$	$	$	$	$
Ms Emily D'Cruz	2014	37,500	37,500	-	6,935	-	81,935
	2013	-	-	-	-	-	-
Ms Alison Coutts	2014	-	-	-	-	-	-
	2013	-	-	-	-	-	-
Mr Alex Cowie	2014	-	-	-	-	-	-
	2013	-	-	-	-	-	-
Mr Derek Lo	2014	-	-	-	-	-	-
	2013	-	-	-	-	-	-
Mr T S DeSilva	2014	-	-	-	-	-	-
	2013	-	-	-	-	-	-
Mr John Harold Darling	2014	-	-	-	-	-	-
	2013	-	-	-	-	-	-
Mr Samuel Timothy Armytage	2014	-	-	-	-	-	-
	2013	-	-	12,000	-	-	12,000
Mr Robert Norman Parton	2014	-	-	-	-	-	-
	2013	-	-	-	-	-	-
Total KMP	2014	37,500	37,500	-	6,935	-	81,935
	2013	-	-	12,000	-	-	12,000

KMP's Shareholding

KMP did not hold any shares within the company as of the date of this report.

This Directors' Report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

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Emily D'Cruz, Director
Melbourne

Dated: 04/12/2014

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DECLARATION OF INDEPENDENCE BY RICHARD DEAN TO THE DIRECTORS OF VICULUS LIMITED

As lead auditor of Viculus Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Richard Dean
Partner

BDO East Coast Partnership

Melbourne, 4 December 2014

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Viculus Limited are responsible for the corporate governance of the Company. The board guides and monitors the business and affairs of Viculus Limited on behalf of the shareholders by whom they are elected and to whom they are accountable. To ensure the board is well equipped to discharge its responsibilities it had adopted a Corporate Governance Charter.

Outlined below are the procedures put in place by the Board and the extent to which the Company follows the Guidelines

Principle 1: Board and Management
Recognise and publish the respective roles and responsibilities of the board and management.

Function
The Board's broad function is to:
(a) Chart strategy and set financial targets for the Company;
(b) Monitor the implementation and execution of strategy and performance against financial and other targets; and
(c) Appoint and oversee the performance of executive management

and generally to take and fulfill an effective leadership role in relation to the Company.

Powers
The Board has responsibility for the matters specified above and, in addition to those matters reserved to it by law, reserves to itself the following matters and all power and authority in relation to those matters:
(a) Composition of the Board itself including appointment, retirement and removal of Directors;
(b) Oversight of the Company including its control and accountability systems;
(c) Appointing and removing the CEO;
(d) Ratifying the appointment and, where appropriate, the removal of the CFO and the Secretary;
(e) Reviewing and overseeing the operation of systems of risk management and internal compliance and control, codes of ethics and conduct and legal and regulatory compliance;
(f) Monitoring senior management's performance and implementation of strategy, ensuring appropriate resources are available;
(g) Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
(h) Approving and monitoring financial and other reporting;
(i) Performance of investment and treasury functions;
G) Monitor industry developments relevant to the Group and its business;
(k) Developing suitable key indicators of financial performance for the Group and its business;
(I) Input into and final approval of management's development of corporate strategy and performance objectives;
(m) The overall corporate governance of the Group including the strategic direction, establishing goals for management and monitoring the achievement of these goals; and
(n) Oversight of Committees.

To assist in the execution of its responsibilities, the Board has the authority to establish Committees (and delegate powers accordingly) to consider such matters as it may consider appropriate including, by way of example only, audit matters, finance and business risks, remuneration and nominations and to establish a framework for the effective and efficient management of the Company.

Principle 2: Board Structure
Have a board of an effective composition, size and committed to adequately discharging its responsibilities and duties.

The composition of the Board is determined according to the following principles:

(a) The Board must comprise members with a broad range of experience, expertise, skills and contacts relevant to the Group and its business.
(b) There must be at least three Directors.
(c) The number of Directors may be increased where the Board considers that additional expertise is required in specific areas or when an outstanding candidate is identified.
(d) The Chairman must be a non-executive Director.
(e) At least half of the Board must be non-executive Directors at least two of whom must also be Independent.

Independence

The Board has adopted the following definition of an Independent Director:

An Independent Director is a Director who is not a member of management (a non-executive Director) and who:

- Is not a substantial shareholder of the Company or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Company;
- Has not, with in the last three years, been employed in an executive capacity by the Company, or been a Director after ceasing to hold any such employment;
- Is not a principal of a professional advisor to the Company, or an employee materially associated with the service provided, except in circumstances where the adviser might be considered to be independent notwithstanding their position as a professional advisor due to the fact that fees payable by the Company to the advisor's firm represent an insignificant component of its overall revenue;
- Is not a significant supplier or customer of the Company, or an officer of or otherwise associated, directly or indirectly, with a significant supplier or customer;
- Has no significant contractual relationship with the Company other than as a Director;
- Is free from any interest and any business or other relationship, which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- Has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The Board will regularly assess the Independence of each Director in the light of the interests disclosed by them, and each Director will provide the Board with all relevant information for this purpose. The Independence of Directors will be disclosed in the annual report. Where the Independence of a Director is lost, this will be immediately disclosed to the market.

The independent directors of the Company who is in office at the date of the annual report are:

Alexander Robert Cowie (appointed 23 May 2014)
Alison Mary Coutts (appointed 23 May 2014)

Appointment and Retirement

When a vacancy exists, through whatever cause, or where the Board considers that it would benefit from the services of a new member with particular skills, the Board considers a panel of candidates identified and selected by the Nominations Committee having regard to:

(a) What may be appropriate for the Company;
(b) The skills, expertise and experience of the candidates;
(c) The mix of those skills, expertise and experience with those of the existing Directors; and
(d) The perceived compatibility of the candidates with the Group and with the existing Directors.

Potential candidates to be appointed as Directors are considered by the Board with advice from an external consultant as considered by the Board to be appropriate. The Board then appoints the most suitable candidates who (assuming that they consent to act as Directors) continue in office only until the next AGM and are then eligible for election but are not taken into account in determining the number of Directors to retire by rotation at the AG M.

The terms and conditions of the appointment of all new members of the Board may be specified in a letter of appointment. The letter of appointment may refer to the Constitution and to this document.

Principle 3: Ethical Standards
Actively promote ethical and responsible decision-making.

All Directors and all officers of the Company must act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company and, where possible, to act in accordance with the interests of shareholders, staff, clients and all other stakeholders in the Company.

The Directors must comply with the Code of Ethics in the exercise of their duties.

Principle 4: Financial Reporting
Have a structure to independently verify and safeguard the integrity of the company's financial reporting.

The external auditors are selected according to criteria set by the Board which include most significantly:

- The lack of any current or past connection or association with the Company or with any
- member of senior management that could in any way impair, or be seen to carry with it any risk of impairing, the independent external view they are required to take in relation to the Company;
- Their general reputation for independence and probity and professional standing within the business community; and
- Their knowledge of the industry within which the Company operate.

Audit staff employed by the external audit partner, including the partner or other principal with overall responsibility for the engagement, are required to be rotated periodically, and in any event at intervals not exceeding five years, so as to avoid any risk of impairing the independent external view that the external auditors are required to take in relation to the Company.

An annual budget prepared by management is approved by the Board then actual results, including both profit and loss statement and cash flow statement, are reported on a monthly basis against budget, and revised forecasts for the year are prepared regularly.

Price-Sensitive Information, and generally all information reasonably required by an investor to make an informed assessment of the Company's activities and results, must be reported to the ASX in accordance with continuous disclosure requirements which are considered as a standing agenda item at each regular meeting of the Committee as well as of the Board.

Each of the CEO and CFO must state in writing to the Board, when providing it with financial reports, that the Company's financial reports:

- Present a true and fair view, in al l material respects, of the Company's financial conditions and operational results;
- Are in accordance with relevant accounting standards; and
- Are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

Without limiting relevant matters of which the Board should be informed, the CEO is also primarily responsible for:

- Making decisions concerning whether a matter is required to be disclosed in accordance with the Company's continuous disclosure obligations;
- Ensuring that the Company complies with those obligations;
- Notifying the Board of such matters; and
- Monitoring and promoting an understanding within the Company of compliance.

Principle 5: Continuous Disclosure
Promote timely and balanced disclosure of all material matters concerning the company.

The company has established procedures designed to ensure that it complies with the disclosure requirements set out in the ASX Listing Rules.

The Company Secretary has primary responsibility for communication with ASX, this includes

- ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules;
- overseeing information going to the ASX, shareholders and other interest parties; and
- acting as the contact for media, analyst briefings and responses to shareholder questions.

The Directors have an obligation under a Disclosure of Interest and Transactions in Securities Agreement to inform the Company of any securities trading; the Company is to promptly report such trading to ASX.

Principle 6: Shareholder Communication
Respect the rights of the shareholders and facilitate the effective exercise of those rights

The Board aims to ensure that Shareholders are informed of all major developments affecting the Groups state of affairs. Information is communicated to Shareholders as follows:

(a) The Company's continuous disclosure obligations are reviewed as a standing item on the agenda for each regular meeting of the Board. Each Director is required at every such meeting to confirm details of any matter within his knowledge that might require disclosure to the market.

(b) The annual report is distributed to all shareholders. The Board ensures that the annual report includes relevant information about the operations of the Company during the year, changes in the state of affairs of the Company and details of future developments in addition to the other disclosures required by the Act.

(c) Proposed major changes in the Company which may impact on share ownership rights and the removal and appointment of Directors are submitted to a vote of shareholders at an AGM. If resolutions are required to be put to Shareholders before the next AGM, a general meeting will be called with at least 28 days' notice i n accordance with the Constitution. The Board encourages full participation of Shareholders at the AGM and at other general meetings to ensure a high level of accountability and identification with the Company's strategy and goals.

(d) The external auditors will be requested to attend the AGM and be available to answer questions by Shareholders on the conduct of the audit and the preparation and content of the audit report.

(e) The half-yearly report contains summarised financial information and a review of the operations of the Company during the period. The report is lodged with and available from the ASX and the ASIC. It is also sent to any Shareholder who requests it from the Company.

(f) Company announcements are made in a manner which is factual, timely, clear, and objective manner, and so as not to omit any information material to decisions of Shareholders and potential investors in the Company.

(g) Information concerning the Company, including copies of announcements made through the ASX and the annual report and half-yearly report, is made available to Shareholders and prospective investors in the Company on the Company's website. The Company has a continuing commitment to electronic communication with Shareholders and stakeholders generally including via its website.

Principle 7: Risk Management

Establish a sound system of risk oversight and management and internal control.

The Board has the responsibility for the maintenance of the strategy of the Company that includes the identification of significant business risks, reviews the major risks affecting each business segment and develops strategies to mitigate these risks.

The risks of the Company's business are reviewed by the Board. This is a specific agenda item at each regular meeting of the Board. Once a risk is identified, an action plan is instigated and the Board is informed of the action plan proposed by management. The Board must approve the action plan. Corrective action is taken as soon as practicable. Major business risks arise from such matters as actions by competitors, changes in government policy and use of information systems.

The Company Operating Policies & Procedures, which are provided to all staff and with which they are required to comply, contains risk management procedures that aim to address risk management issues including the risk that professional indemnity claims may be made against the firm.

Principle 8: Board Performance

Fairly review and actively encourage enhanced board and management effectiveness

- The performance of all other Directors is reviewed and assessed each year by the Chairman.
- The performance of the Chairman is reviewed and assessed each year by the other Directors.
- The evaluation criteria and process to be followed is the same in each case.
- The Chairman determines the evaluation criteria and process.
- Members of the Board whose performance is unsatisfactory are asked to retire.
- An external assessment of the Board's policies and procedures and its effectiveness generally, are conducted by independent professional consultants at intervals of no more than three years.

Principle 9: Board Performance

Ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined.

A Committee is established by the Board to assist it and report to it in relation to the matters with which it is charged with responsibility.

The role of the Committee is to advise on remuneration and issues relevant to remuneration policies and practices including those for senior management and non-executive Directors.

The Committee has responsibility for the following:

(a) Reviewing and evaluating market practices and trends in relation to remuneration relevant to the Company;

(b) Reviewing and making recommendations to the Board in relation to the Company's remuneration policies;

(c) Reviewing and making recommendations to the Board in relation to the Company's remuneration practices;

(d) Overseeing the performance of the CEO and CFO and other members of senior management and non-executive Directors;

(e) Reviewing and making recommendations to the Board in relation to the remuneration of the CEO and CFO and other members of senior management and of non-executive Directors; and

(f) Preparing for the Board any report that may be required under applicable legal or regulatory requirements in relation to remuneration matters.

Remuneration is in each case taken as including not only monetary payments (salary and wages) but also all other monetary and non-monetary emoluments and benefits including:

(a) Fringe benefits;

(b) Directors and officers and other insurance arrangements;

(c) Retirement benefits;

(d) Superannuation; and

(e) Equity participation, and other incentive programs;

In each case, in the context of general market and industry practice, so far as directly relevant benchmarks can be identified for comparative purposes, and the need to attract and retain high-calibre personnel.

The Committee has an advisory role, consistent with its purpose of assisting the Board in relation to the matters with which it is charged with responsibility, and does not have any power to commit the Board to any recommendation or decision made by it but may nevertheless consult independent external expert advisers as it may consider appropriate for the proper performance of its function and charge the costs to the Company.

Meetings are held at least annually times during each year and more often as required.

Representatives of management and other employed personnel may be invited to attend meetings, or specific parts of meetings, at the discretion of the Committee.

Principle 10: Shareholder Accountability
Recognise legal and other obligations to all legitimate stakeholders

The Company recognises that it must function within and operate with a sense of responsibility to the wider community, as well as to Shareholders. It is the Company's belief that this sense of responsibility to stakeholders generally is an essential part of its role within the broad community and represents not only sound ethics but also good business sense and commercial practice.

As part of this broad responsibility, the Company welcomes constructive feedback from stakeholders on its contribution to and role within the community.

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	**2014**	2013
		$	$
Revenue		-	-
Rent	2	(15,486)	(4,877)
Secretary, Legal & Administration		(87,934)	(24,000)
ASX & ASIC Fees		(1,383)	(16,560)
General expenses		(225)	-
Travel and Entertainment		(24,722)	-
Impairment of Assets		-	(2,272)
Depreciation and Amortisation expense		(1,024)	-
Accounting & Audit fees	2	(43,320)	(7,878)
Finance charges		(5,370)	(21,485)
Employee Benefits expense	2	(99,580)	-
(Loss) before income tax		(279,044)	(77,072)
Income tax expense	3	-	-
(Loss) after tax attributable to members		(279,044)	(77,072)
Other Comprehensive Income		-	-
Total Comprehensive Income attributable to members		(279,044)	(77,072)
Earnings per share			
Basic earnings per share (cents)	4	(3.10)	(1.52)
Diluted earnings per share (cents)	4	(3.10)	(1.52)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014	2013
CURRENT ASSETS		$	$
Cash and cash equivalents	5	6,446	-
Other receivables	9	12,616	-
TOTAL CURRENT ASSETS		19,062	-
NON-CURRENT ASSETS			
Property, plant and equipment	6	6,650	-
TOTAL NON-CURRENT ASSETS		6,650	-
TOTAL ASSETS		25,712	-
CURRENT LIABILITIES			
Trade and other payables	7	104,970	62,865
Borrowings	8	119,685	243,449
TOTAL CURRENT LIABILITIES		224,655	306,314
TOTAL LIABILITIES		224,655	306,314
NET ASSETS (LIABILITIES)		(198,943)	(306,314)
EQUITY			
Issued capital	10	23,107,075	22,720,660
Accumulated losses		(23,306,018)	(23,026,974)
TOTAL EQUITY		(198,943)	(306,314)

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

Note	Issued Capital	Accumulated Losses	Total
	$	$	$
Balance at 1 July 2012	22,720,660	(22,949,902)	(229,242)
Comprehensive Income			
Loss attributable to members of parent entity	-	(77,072)	(77,072)
Total comprehensive income	-	(77,072)	(77,072)
Balance at 30 June 2013	22,720,660	(23,026,974)	(306,314)
Balance at 1 July 2013	22,720,660	(23,026,974)	(306,314)
Comprehensive Income			
Loss attributable to members of parent entity	-	(279,044)	(279,044)
Total comprehensive income	-	(279,044)	(279,044)
Transactions with owners in their capacity as owners			
Contributions of equity	406,415	-	406,415
Transaction costs	(20,000)	-	(20,000)
Total transactions with owners	386,415	-	386,415
Balance at 30 June 2014	23,107,075	(23,306,018)	(198,943)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		$	$
CASH FLOWS from OPERATING ACTIVITIES			
Receipts from operations		-	-
Payments to suppliers and employees		(243,161)	-
Finance costs		(5,370)	(60)
TOTAL	12	(248,531)	(60)
CASH FLOWS from INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(7,674)	-
TOTAL		(7,674)	-
CASH FLOWS from FINANCING ACTIVITIES			
Proceeds from issue of shares		386,415	-
Proceeds from borrowings		(123,764)	-
TOTAL		262,651	-
(Decrease) / Increase in cash		6,446	(60)
Cash at the beginning of financial year		-	60
Cash at the end of financial year	5	6,446	-

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is presented in Australian dollars and includes the financial statements of Viculus Ltd ("**the Company**" or "**Viculus**"), a company incorporated in Australia. Viculus does not have any subsidiaries or controlled entities.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) for for-profit oriented entities, and the *Corporations Act 2001.*

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

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

There has been no significant impact on the accounting policies of the Company from the adoption of these Accounting Standards and Interpretations nor has there been any significant impact on the financial performance or position of the company.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently unless otherwise stated.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Going concern

The financials statements have been prepared on a going concern basis, which contemplates continuity of normal trading activities and realisation of assets and settlement of liabilities in the normal course of business.

However, the ability of the company to continue as a going concern is dependent on the company being able to successfully raise additional funds through debt or equity.

The existence of this condition gives rise to a material uncertainty that may cast significant doubt over the entity's ability to continue as a going concern.

The company is currently in the process of finalising a prospectus to raise between $3,500,000 and $5,000,000. On 27 October, ASIC placed an interim stop order on the company's prospectus. The directors are working to address the concerns raised by ASIC and to complete the capital raising.

If the entity is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than through the ordinary course of business and at amounts different to those stated in the financial report. The report does not include any adjustments relating to the recoverability and classification of asset carrying amount or the amounts of liabilities that might result should the entity be unable to continue as a going concern and meet its debts as and when they become due and payable

a) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at historical cost less depreciation or amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

d) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on diminishing value basis over the asset's useful life to the group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are: plant and equipment 20.00% and purchased software 50.00%.

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each balance sheet date. 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.

e) Intangible assets

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of Goodwill relating to the entity sold.

f) Financial assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are held at fair value through profit and loss when the financial asset is either held for trading (it has been acquired principally for the purpose of selling in the short term) or it is designated as at fair value through profit and loss within the requirements of AASB 139: Financial Instrument; recognition and measurement. Financial assets at fair value through profit and loss are stated at fair value, with any gains or losses arising recognised in the statement of comprehensive income.

Held-to-maturity investments are measured at amortised cost using the effective interest rate method less any impairment, with revenue recognised on an effective yield basis.

Available for sale financial assets are held at fair value, with unrealised gains and losses arising from changes in fair value being recognised in other comprehensive income, except for impairments which are recognised in the profit and loss.

Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

g) Non-financial assets held for sale

Non-financial assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use. This is regarded as met only when the sale is highly probable and the non-current asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to occur within one year. When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale. Non-financial assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

h) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. All impairment losses on goodwill are recognised in profit & loss.

Financial assets, other than those at fair value through profit and loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit and loss.

i) Financial liabilities and equity instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Convertible Notes are initially recognised at the fair value of the liability portion of the Note as determined by using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the Note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of tax effects.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

j) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within 12 months have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

k) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

l) Revenue and Other Income

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. 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. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Interest income is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate. All revenue is stated net of the amount of goods and services tax (GST)

m) Equity-settled compensation

The Company operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. 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.

n) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the cash flow statement on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

p) Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest dollar.

q) Critical Accounting Estimates and Judgments and key sources of estimation uncertainty

The preparation of financial statements require management to exercise its judgement and make estimates and assumptions in applying the consolidated entity's accounting policies which impact the reported amounts of assets, liabilities, income and expenses.

Estimates and judgments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual result may differ from these accounting estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Given that the company has realised the majority of its assets and extinguished the majority of liabilities, Management believes that there are no critical matters that involve a high degree of judgement or complexity, or where assumptions and estimation uncertainties are significant in the preparation of the financial statements.

r) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the strategic steering committee.

s) New accounting standards for application for future periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods and which the group has decided not to early adopt. A discussion of those future requirements and their impact on the group is as follows:

- AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB (December 2010). This standard is not expected to impact the Company.

- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (applicable for annual reporting periods commencing on or after 1 July 2013). This standard is not expected to impact the Company.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011) and AASB 128: Investment in Associates and Joint Ventures (August 2011). This standard will govern the accounts for determining when control exists over another entity.

- AASB 13: Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013. This standard is not expected to impact the Company.

- AASB 2011-4: Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (applicable for annual reporting periods beginning on or after 1 July 2013). This standard has moved KMP disclosures to the directors' report.

- AASB 119: Employee Benefits (September 2011)(applicable for annual reporting periods commencing on or after I January 2013). This standard is not expected to impact the group.

- AASB 2012-5: Amendments to Australian Accounting Standards as a consequence of the issuances of Annual Improvements to IFRS 2009-2011 Cycle by the International Accounting Standards Board. This standard is not expected to significantly impact the group.

NOTE 2: EXPENSES

	2014	2013
	$	$
Auditor – BDO		
Audit or review of financial statements	24,000	-
Other Services	-	-
	24,000	-
Auditor - TWB Accountants Pty Ltd		
Audit or review of financial statements	14,320	7,878
Other Services	-	-
	14,320	-
Accounting Services – *TST Partners Pty Ltd*	5,000	-
Defined contribution superannuation expense	8,426	-
Operating lease expense	15,486	-

NOTE 3: INCOME TAX EXPENSE

	2014	2013
	$	$
Loss before income tax expense	(279,044)	(77,072)
Tax at statutory tax rate of 30%	(83,713)	(23,122)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
- Entertainment expenses	3,708	-
- Impairment of goodwill	-	-
- Tax benefit of losses not recognised	80,005	23,122
Income tax expense	-	-

The company has not recongised any deferred tax asset in respect of tax losses carried forward as the directors consider it unlikely the company will be able to satisfy the tax requirements for recoupment of these losses.

NOTE 4: EARNINGS PER SHARE

	2014	2013
	$	$
Earnings used to calculate basic EPS	(279,044)	(77,072)
Weighted average no. of ordinary shares	8,989,233	5,086,930
Basic loss per share (cents)	(3.10)	(1.52)
Weighted average shares & options outstanding	8,989,233	5,086,930
Diluted loss per share (cents)	(3.10)	(1.52)

Potential changes related to share options are excluded from the calculation of diluted EPS because they are anti-dilute.

NOTE 5: CASH AND CASH EQUIVALENTS

	2014	2013
	$	$
Cash at bank and in hand	6,446	-
	6,446	-

NOTE 6: PROPERTY PLANT AND EQUIPMENT

	Plant and Equipment	Total
	$	$
Plant and Equipment		
Balance as at 30 June 2013	-	-
Additions	7,674	7,674
Depreciation	(1,024)	(1,024)
Balance as at 30 June 2014	6,650	6,650

NOTE 7: TRADE AND OTHER PAYABLES

	2014	2013
	$	$
Trade payables		
TST Partners	5,500	-
TWB Accountants Pty Ltd	8,160	15,200
Armytage Corporate Lawyers Pty Ltd	-	47,665
- related party payable		
Sundry payables and accrued expenses		
Other payables accruals	24,715	-
Accrued Expenses	66,595	-
Total trade and other payables	104,970	62,865

NOTE 8: BORROWINGS

	2014	2013
	$	$
Secured liabilities		
Secured loans	-	168,361
	-	168,361
Unsecured liabilities		
Unsecured loans	119,685	21,685
Related party loans	-	53,403
	119,685	75,088
Total Borrowings	119,685	243,449

NOTE 9: OTHER RECEIVABLES

	2014	2013
	$	$
GST refundable	12,616	
	12,616	-

NOTE 10: ISSUED CAPITAL

	Capital	*Ordinary Shares*
	$	No.
Balance as at 1 July 2012	22,720,660	5,086,930
No Movement	-	-
Balance as at 30 June 2013	22,720,660	5,086,930
Balance as at 1 July 2013	22,720,660	5,086,930
Rights Issue (a)	406,415	5,086,930
Transaction Cost	(20,000)	-
Balance as at 30 June 2014	23,107,075	10,173,860

(a) On 23 September 2013, the company issued 5,086,930 ordinary shares at $0.08 each to shareholders on the basis of one (1) share for every one (1) share held.

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

At the shareholders' meetings, each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

There is currently no on market share buyback.

(b) **Capital Management**

Management controls the capital of the Company in order obtain a sustainable debt to equity ratio, generate long-term shareholder value, ensure that the Company can funds its operations and recover from the uncertainty of continuing as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management will manage the Company's capital by assessing the Company's financial risk and adjusting its capital structure in response to changes in these risks and the market. These responses include management of debt levels, distributions to shareholders and share issues.

NOTE 10: ISSUED CAPITAL (CONT'D)

There have no changes in the strategy adopted by management to control the capital of the Company since the prior year. This strategy is to recapitalize the company to ensure the Company's gearing ratio improves over the subsequent financial years. The gearing ratios for the years ended 30 June 2013 and 30 June 2014 are as follows:

	Note	**2014**	2013
		$	$
Total payables and borrowings	7,8	224,655	306,314
Less: cash and cash equivalents	5	(6,446)	-
Net debt		218,209	306,314
Total paid equity		(196,943)	(306,314)
TOTAL CAPITAL		21,266	-
Gearing ratio		N/A	N/A

NOTE 11: CAPITAL AND LEASING COMMITMENTS

	2014	2013
	$	$
Operating Lease Commitments		
Non-cancellable operating leases for premises contracted for but not recognised in the financial statements		
- not later than 12 months	21,600	-
- between 12 months and five years	-	-
- later than five years	-	-
	21,600	-

NOTE 12: CASH FLOW INFORMATION

	2014	2013
	$	$
Reconciliation of cash flow from operations with loss after income tax		
Loss after income tax & other comprehensive income	(279,044)	(77,072)
Non-cash flows in loss:		
- Depreciation and amortization expense	1,024	-
- Impairment of assets	-	2,272
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in other receivables	(12,616)	-
- increase/(decrease) in trade and other payables	42,105	74,740
	(248,531)	(60)

NOTE 13: SHARE-BASED PAYMENTS

There were no share-based payments during or since the end of the accounting period.

NOTE 14: CONTROLLED ENTITIES

The Company has no subsidiaries or controlled entities.

NOTE 15: FINANCIAL RISK MANAGEMENT

Derivatives
The Company does not undertake hedging or nor does it use other derivative financial instruments.

Foreign currency risk
From time to time, the Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters and may utilise forward foreign exchange contracts. The group had no monetary assets or liabilities denominated in foreign currencies at the year-end or during the period or at the end of the prior period.

Interest rate risk
The Company is exposed to interest rate risk when entities in the Company borrow funds at either fixed or floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings. The group has not historically undertaken hedging activities or entered into interest rate swaps.
There is no significant exposure to interest rate risk at 30 June 2014 or 30 June 2013.

Credit risk
Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are monitored.

Trade receivables usually consist of a large number of customers, spread across markets and geographical areas. Credit evaluation is performed on the financial condition of customers.

The carrying amount of financial assets recognised in the financial statements, which are net of impairment losses, represents the Company's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held. The Company does not hold any collateral or other credit enhancements to cover this credit risk.

Liquidity risk
Responsibility for liquidity risk management rests with the board of directors, which manages the Company's short-, medium- and long-term funding and liquidity management requirements. The Company has recently emerged from voluntary administration and is seeking to manage liquidity risk by obtaining adequate credit facilities and new capital.

The Company is currently exposed to liquidity to the extent of financial liabilities as stated in the financial statements. The Company has no lease or financial guarantee arrangements at the period end.

Financing facilities
At 30 June 2013 the Company had fully drawn on the financing facilities provided by an entity associated with the Directors (see Note 16), this facility was fully repaid in the 2014 financial year. At 30 June 2014, the company does not have access to any established finance facility.

Fair value of financial instruments
The net fair value of financial assets and liabilities approximates to their carrying value.

NOTE 16: RELATED PARTY TRANSACTIONS

	2014	2013
	$	$
a. Services purchased Fees for accounting, legal and rent were accrued to:		
A company in which a former director, Samuel Armytage, is a director and shareholder	9,000	28,877
A company in which the current executive director, Emily D'Cruz, is a director	20,000	-
b. Loans made by a related party		
The company has outstanding loans and accrued interest owing to a company associate, Robert Parton, whom was former director of the company	-	53,403

Other transactions with key management personnel

	2014	2013
	$	$
Key Management Personal Compensation		
Short term employee benefits	75,000	12,000
Post employment benefits	6,935	-
Long term benefits	-	-

No other transactions with key management personnel, other than as disclosed elsewhere in this Financial Report, occurred during the financial year.

NOTE 17: SEGMENT INFORMATION

The Group operates within one geographic sector, being Austral a, and has undertaken activities in one area during the year, namely the re-structuring of its activities.

NOTE 18: CONTINGENT LIABILITIES AND COMMITMENTS

As at the date of this report, the directors were not aware of any material contingent liabilities, assets or commitments.

NOTE 19: EVENTS SUBSEQUENT TO BALANCE DATE

The Company has lodged a prospectus with ASIC on 16 October 2014 and received acceptances of over 90% of Euro Petroleum Ltd shares pursuant to the Bidder's Statement dated 1 August 2014 and Supplementary Bidder's Statement dated 25 August 2014. The Company is seeking re-quotation of the Company's ordinary shares on the Australian Securities Exchange (ASX).

The major events occurring subsequent to balance date were:

2. The Company dispatched the Bidder's Statement to Euro Petroleum Ltd Shareholders on 1 August 2014 following a Supplementary Bidder's Statement on the 25 August 2014 pursuant to the Company making an off-market bid for all the shares in Euro Petroleum Ltd
2. Annual General Meeting was held on the 25th of August 2014 where all resolutions were passed.
3. Euro Petroleum Ltd received an approval letter from the Board of Investment of Sri Lanka confirming approval of Euro Petroleum Limited's application to carry out an exploration project at the Sri Lankan tenements on 12 September 2014.
4. Prospectus was lodged with ASIC dated 20 October 2014, in connection with its application for re-admission to the main list of the ASX in accordance with Chapters 1 and 2 of the ASX Listing Rules, proposing a capital raising of between $3.5 million to $5 million by the issue of 17,500,000 to 25,000,000 ordinary shares at an issue price of $0.20 per share. ASIC placed an interim stop order on this prospectus on 27 October 2014 and the directors are working to address ASIC's concerns.
5. On 19 November 2014 acceptances for the Takeover Bid exceeded 90%. The Company has issued a Notice of Substantial Shareholding to Euro that "the Company's" voting power in Euro now exceeds 90%.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 19 to 38, are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the company;

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

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

....

Emily D'Cruz, Director
Melbourne

Dated: 04/12/2014

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AUSTRALIA

INDEPENDENT AUDITOR'S REPORT

To the members of Viculus Limited

Report on the Financial Report

We have audited the accompanying financial report of Viculus Limited, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the 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 judgement, 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 company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company'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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Viculus Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Viculus Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

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

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the ability of the company to continue as a going concern is dependent upon it being able to raise additional funds through debt or equity. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 10 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Viculus Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership

BDO

Richard Dean
Partner

Melbourne, 4 December 2014

SHAREHOLDER INFORMATION

The following additional information is required by the ASX Ltd in respect of listed public companies only. The information is current as at 20 November 2014.

1. Distribution of Shareholders

Distribution of shareholders

Category (size of holding)	Number
1 – 1,000	1,608
1,000 – 5,000	69
5,000 – 10,000	35
10,000 – 100,000	66
100,000 and over	24
Total	1,802

2. Substantial Shareholders

The names of the substantial shareholders listed in the holding Company's register as at 30 June 2014 are:

		Number of Ordinary Fully Paid Shares Held	% Held of issue Ordinary Capital
2.	MR SHI-CHUNG CHANG	1,000,000	9.83%
3.	WINGO INVESTMENTS CORPORATION	1,000,000	9.83%
4.	KSJ SUPERFUND PTY LTD	763,040	7.50%
5.	BICCACINI PTY LTD	628,750	6.18%

3. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares - Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options - Options have no voting rights. There are currently no options on issue.

20 Largest Shareholders – Ordinary Shares

		Number of Ordinary Fully Paid Shares Held	% Held of issue Ordinary Capital
1	SHI-CHUNG CHANG	1,000,000	9.83%
2	WINGO INVESTMENTS CORPORATION	1,000,000	9.83%
3	KSJ SUPERFUND PTY LTD	763,040	7.50%
4	BCCACINI PTY LTD	628,750	6.18%
5	SHI HUI HU	500,000	4.91%
6	DARREN WESTON	450,000	4.42%
7	BONVILLA CONSTRUCTIONS PTY LTD	396,000	3.89%
8	KELVIN BAY PTY LTD	267,500	2.63%
9	DAVID CHUNHONG	250,000	2.46%
10	KHOO PUAY GUAN	250,000	2.46%
11	THE NG FAMILY SUPERFUND	250,000	2.46%
12	WHITE TARA DEVELOPMENTS PTY LTD	237,500	2.33%
13	8CELLARS PTY LTD	200,000	1.97%
14	TE-LUNG HUANG	200,000	1.97%
15	WOOMERA SUPER FUND PTY LTD	200,000	1.97%
16	CHRISTINE SEMIOTA	187,500	1.84%
17	RACHEL ANSTASI	171,855	1.69%
18	JOHN BELL	162,500	1.60%
19	VARSHA PTY LTD	150,000	1.47%
20	YAO JACKSON YUE	143,750	1.41%
		7,408,395	72.82%

4. Company secretary

Mr Derek Lo was appointed as company secretary on 15 January 2014 and replaced Mr Sam Armytage who resigned as company secretary on 15 January 2014.

5. Registered office

The address of the registered office and principle place of business is Level 32, 101 Collins Street, Melbourne.

Telephone: (03) 9008 0464

6. Stock Exchange Listing

The Company's ordinary shares are listed on the Australian Securities Exchange.

The company ticker on the Australian Stock Exchange is VCL.