

FORM: Half yearly/~~preliminary~~ final report

Name of *issuer*

iQX Limited

ACN or ARBN

155 518 380

Half yearly
(tick)

✓

Preliminary
final (tick)

✓

Half year/financial year ended
(‘Current period’)

1/07/2014 – 31/12/2014

For announcement to the market

Extracts from this statement for announcement to the market (*see note 1*).

Extracts from this statement for announcement to the market (see note 1).				\$A,000
Revenue (item 1.1)	up	100%	to	354
Profit (loss) for the period (item 1.9)	down	100%	to	-592
Profit (loss) for the period attributable to members of the parent (item 1.11)	down	100%	to	-592
Dividends	Current period		Previous corresponding period	
Franking rate applicable:				
Final dividend (preliminary final report only)(item 10.13-10.14)	Nil		Nil	
Amount per security				
Franked amount per security				
Interim dividend (Half yearly report only) (item 10.11 – 10.12)	Nil		Nil	
Amount per security				
Franked amount per security				
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
N/A				

Comments by directors

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

Basis of accounts preparation

If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. This report does not include all notes of the type normally included in an annual financial report [Delete if inapplicable.]

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible). In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations (as per paragraphs 16(b), 16(b) and Aus 16.1 of AASB 134: Interim Financial Reporting)

Refer to financial statements

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

N/A

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

N/A

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

(Disclose changes in the half yearly statement in accordance with paragraph 16(a) of AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with paragraphs 28-29 of 108: Accounting Policies, Changes in Accounting Estimates and Errors.)

N/A

An *issuer* shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. *(as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)*

N/A

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year *(as per paragraph 16(d) of AASB 134: Interim Financial Reporting)*

N/A

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report *(as per paragraph 16(j) of AASB 134: Interim Financial Reporting)*

N/A

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence *(as per paragraph 16(c) of AASB 134: Interim Financial Reporting)*

N/A

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations *(as per paragraph 16(i) of AASB 134: Interim Financial Reporting)*

N/A

Annual meeting*(Preliminary final statement only)*

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the annual report will be available

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

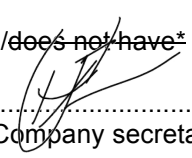
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2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does/does not* (*delete one*) give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:

- | | |
|---|--|
| <input type="checkbox"/> The financial statements have been audited. | <input checked="" type="checkbox"/> The financial statements have been subject to review by a registered auditor (or overseas equivalent). |
| <input type="checkbox"/> The financial statements are in the process of being audited or subject to review. | <input type="checkbox"/> The financial statements have <i>not</i> yet been audited or reviewed. |

5. If the accounts have been or are being audited or subject to review and the audit report is ~~not attached, details of any qualifications are attached/will follow immediately they are available*~~ (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)

6. The *issuer* has/~~does not have*~~ (*delete one*) a formally constituted audit committee.

Sign here: 
(Director/Company secretary)

Date: 13-03-15

Print name: Dr George Syrmalis

iQX Limited and Controlled Entity

ACN: 155 518 380

Financial Statements

For the Half Year Ended 31 December 2014



iQX Limited and Controlled Entity

ACN: 155 518 380

Contents

For the Half Year Ended 31 December 2014

	Page
Financial Statements	
Directors' Report	1
Auditors Independence Declaration under Section 307C of the Corporations Act 2001	2
Statement of Profit or Loss and Other Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	7
Notes to the Financial Statements	8
Directors' Declaration	13
Independent Auditor's Review Report	14

Directors' Report

For the Half Year Ended 31 December 2014

The directors submit the financial report of the Group for the half year ended 31 December 2014.

1. General information

Information on directors

The names of each person who has been a director during the half year and to the date of this report are:

Kosmas Dimitriou

John Stratilas

George Syrmalis

Anthony Panoyan

Peter Simpson

Alex Dimos (resigned 24/11/2014)

2. Operating results and review of operations for the year

Review of operations by Chairman – Mr Kosmas Dimitriou

The company operations resulted in a consolidated loss of \$592,477 for the period. The IQX operations during 2014 concentrated upon:

- Building our global infrastructure for our, "iQ Series 8" funds;
- Pursuing our plan for global presence on a high visibility stock exchange through commencement of the process to cross list the company on NASDAQ Capital Markets;
- Expanding our pool of talent by bringing in to IQX the right people with the required skills to achieve our plans;
- Last but not least, developing the infrastructure to enable us to continue to market compliantly, on a global scale, our biotech financial products including our fund.

In taking stock of the above achievements we look forward to the following for 2015:


- Continuing the process to cross-list iQX Limited on the NASDAQ Exchange in the USA; and
- Continuing to expand the necessary global infrastructure for our iQ Series 8 fund.
- Expand our investments and continue the journey and strategy of eradicating disease through capital investment

Finally, we would like to acknowledge the hard work and dedication of our management and staff who achieved so much in 2014.


Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 31 December 2014 has been received and can be found on page 2 of the financial report.

This report is signed in accordance with a resolution of the Board of Directors.



Mr Kosmas Dimitriou - Chairman



Dr George Syrmalis – CEO & Executive Director

Dated this 12th day of March 2015

iQX Limited and Controlled Entity

ACN: 155 518 380

Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2014, there have been:

- a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

Fortunity Assurance

A handwritten signature in black ink, appearing to read 'TR Davidson', is written over a faint, circular, dotted watermark.

TR Davidson
Partner

Dated: 12 March, 2015

155 The Entrance Road, Erina NSW

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2014

	Note	Consolidated		Parent	
		31 December	31 December	31 December	31 December
		2014	2013	2014	2013
		\$	\$	\$	\$
Revenue	2	354,246	(28,793)	354,246	(28,793)
Other income		93,255	-	93,255	-
Employee benefits expense	3	(562,459)	(312,895)	(562,459)	(312,895)
Depreciation and amortisation expense		(9,069)	(7,164)	(9,069)	(7,164)
Office sharing costs		(115,891)	(154,672)	(115,891)	(154,672)
IPO and listing fees		(94,606)	(92,472)	(94,606)	(92,472)
Other expenses		(257,953)	(118,667)	(253,303)	(118,667)
Profit before income tax		(592,477)	(714,663)	(587,827)	(714,663)
Income tax expense		-	-	-	-
Profit for the half year		(592,477)	(714,663)	(587,827)	(714,663)
Total comprehensive income for the year		(592,477)	(714,663)	(587,827)	(714,663)
Profit attributable to:					
Members of the parent entity		(592,477)	(714,663)	(587,827)	(714,663)
Earnings per share					
From continuing operations:					
Basic earnings per share (cents)		(0.59)	(0.71)	(0.58)	(0.71)
Diluted earnings per share (cents)		(0.47)	(0.57)	(0.47)	(0.57)

Statement of Financial Position

31 December 2014

		Consolidated		Parent	
		31 December	30 June	31 December	30 June
		2014	2014	2014	2014
Note		\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		590,568	1,166,161	440,597	1,016,190
Trade and other receivables		235,712	194,905	232,062	194,815
Other financial assets	4	5,413	56,912	5,413	56,912
TOTAL CURRENT ASSETS		831,693	1,417,978	678,072	1,267,917
NON-CURRENT ASSETS					
Other financial assets	4	33,382	76,271	183,383	226,272
Property, plant and equipment	5	116,349	95,912	116,349	95,912
Deferred tax assets		1,500	1,500	-	-
Intangible assets		21,266	18,509	21,266	18,509
TOTAL NON-CURRENT ASSETS		172,497	192,192	320,998	340,693
TOTAL ASSETS		1,004,190	1,610,170	999,070	1,608,610
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables		155,455	168,868	147,155	168,868
Current tax liabilities		1,491	1,491	-	-
TOTAL CURRENT LIABILITIES		156,946	170,359	147,155	168,868
NON-CURRENT LIABILITIES					
TOTAL LIABILITIES		156,946	170,359	147,155	168,868
NET ASSETS		847,244	1,439,811	851,915	1,439,742
EQUITY					
Issued capital		3,615,427	3,615,427	3,615,427	3,615,427
Reserves		167,530	167,530	167,530	167,530
Retained earnings		(2,935,713)	(2,343,146)	(2,931,042)	(2,343,215)
Total equity attributable to equity holders of the Company		847,244	1,439,811	851,915	1,439,742
TOTAL EQUITY		847,244	1,439,811	851,915	1,439,742

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2014

31 December 2014

Note	Parent			Total
	Ordinary Shares	Retained Earnings	Option Reserve	
	\$	\$	\$	\$
Balance at 1 July 2014	3,615,427	(2,343,215)	167,530	1,439,742
Profit attributable to members of the entity	-	(587,827)	-	(587,827)
Balance at 31 December 2014	3,615,427	(2,931,042)	167,530	851,915

31 December 2013

Note	Parent			Total
	Ordinary Shares	Retained Earnings	Option Reserve	
	\$	\$	\$	\$
Balance at 1 July 2013	2,000	(1,146,144)	-	(1,144,144)
Shares issued during the year	4,102,806	-	-	4,102,806
Profit attributable to members of the entity	-	(665,468)	-	(665,468)
Contribution to option reserve	-	-	167,530	167,530
Share issue costs	(575,180)	-	-	(575,180)
Balance at 31 December 2013	3,529,626	(1,811,612)	167,530	1,885,544

31 December 2014

Note	Consolidated			Total
	Ordinary Shares	Retained Earnings	Option Reserve	
	\$	\$	\$	\$
Balance at 1 July 2014	3,615,427	(2,343,236)	167,530	1,439,721
Profit attributable to members of the entity	-	(592,477)	-	(592,477)
Balance at 31 December 2014	3,615,427	(2,935,713)	167,530	847,244

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2014

31 December 2013

	Note	Consolidated			Total \$
		Ordinary Shares \$	Retained Earnings \$	Option Reserve \$	
Balance at 1 July 2013		2,000	(1,146,144)	-	(1,144,144)
Shares issued during the year		4,102,806	-	-	4,102,806
Profit attributable to members of the entity		-	(665,468)	-	(665,468)
Contribution to share option reserve		-	-	167,530	167,530
Share issue costs		(575,180)	-	-	(575,180)
Balance at 31 December 2013		<u>3,529,626</u>	<u>(1,811,612)</u>	<u>167,530</u>	<u>1,885,544</u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2014

Note	Consolidated		Parent	
	31 December 2014 \$	31 December 2013 \$	31 December 2014 \$	31 December 2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	411,925	(38,042)	410,575	(38,042)
Payments to suppliers and employees	(962,305)	(798,171)	(960,955)	(798,171)
Interest received	6,927	9,249	6,927	9,249
Net cash provided by/(used in) operating activities	(543,453)	(826,964)	(543,453)	(826,964)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale of plant and equipment	1,228	-	1,228	-
Purchase of financial assets	-	(9,974)	-	(9,974)
Revaluation of financial assets	-	8,040	-	8,040
Purchase of property, plant and equipment	(30,611)	(16,275)	(30,611)	(16,275)
Purchase of intangible assets	(2,757)	-	(2,757)	-
Net cash used by investing activities	(32,140)	(18,209)	(32,140)	(18,209)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from issue of shares	-	4,152,000	-	4,152,000
Share issue costs paid	-	(321,849)	-	(321,849)
Proceeds from short-term borrowings	-	(1,511)	-	(1,511)
Proceeds from long-term borrowings	-	(1,560,000)	-	(1,560,000)
Net cash used by financing activities	-	2,268,640	-	2,268,640
Net increase/(decrease) in cash and cash equivalents held	(575,593)	1,423,467	(575,593)	1,423,467
Cash and cash equivalents at beginning of year	1,166,161	250,788	1,016,190	250,788
Cash and cash equivalents at end of the half year	590,568	1,674,255	440,597	1,674,255

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2014

The financial report covers iQX Limited and Controlled Entity and its controlled entities ('the Group'). iQX Limited and Controlled Entity is a for-profit Company limited by shares, incorporated and domiciled in Australia.

Each of the entities within the Group prepares their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 10 March 2015.

1 Basis of Preparation

This condensed consolidated interim financial report for the reporting period ending 31 December 2014 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of iQX Limited and Controlled Entity and controlled entities (the Group). As such it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. This condensed consolidated financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2014, together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

2 Revenue and Other Income

Revenue from continuing operations

Finance income includes all interest-related income, other than those arising from financial assets at fair value through profit or loss. The following amounts have been included in the finance income line in the statement of profit or loss and other comprehensive income for the reporting periods presented:

	Consolidated		Parent	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	\$	\$	\$	\$
Sales revenue				
- provision of services to related parties	347,319	(38,042)	347,319	(38,042)
	347,319	(38,042)	347,319	(38,042)
Finance income				
- other interest received	6,927	9,249	6,927	9,249
Finance income	6,927	9,249	6,927	9,249
Other revenue				
	6,927	9,249	6,927	9,249
Total Revenue	354,246	(28,793)	354,246	(28,793)

3 Result for the Year

The result for the half year was derived after charging / (crediting) the following items:

Notes to the Financial Statements

For the Year Ended 31 December 2014

3 Result for the Year continued

The result for the year includes the following specific expenses:

	Consolidated		Parent	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	\$	\$	\$	\$
Other expenses:				
Employee benefits expense	562,459	312,895	562,459	312,895

4 Other financial assets

	Consolidated		Parent	
	31 December 2014	30 June 2014	31 December 2014	30 June 2014
	\$	\$	\$	\$
Available for sale financial assets	33,382	133,183	33,382	133,183
Investment in subsidiary	-	-	150,001	150,001
Total financial assets	33,382	133,183	183,383	283,184

	Consolidated		Parent	
	31 December 2014	30 June 2014	31 December 2014	30 June 2014
	\$	\$	\$	\$
CURRENT				
Financial assets at fair value through profit or loss	5,413	56,912	5,413	56,912
Total current assets	5,413	56,912	5,413	56,912

	Consolidated		Parent	
	31 December 2014	30 June 2014	31 December 2014	30 June 2014
	\$	\$	\$	\$
NON-CURRENT				
Available for sale financial assets	33,382	76,271	33,382	76,271
Investment in subsidiary	-	-	150,001	150,001
Total non-current assets	33,382	76,271	183,383	226,272

Available-for-sale financial assets comprise of investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

Notes to the Financial Statements

For the Year Ended 31 December 2014

5 Property, plant and equipment

PLANT AND EQUIPMENT

Plant and equipment

At cost	39,461	18,085	39,461	18,085
Accumulated depreciation	(4,751)	(1,185)	(4,751)	(1,185)

Total plant and equipment	34,710	16,900	34,710	16,900
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Furniture, fixtures and fittings

At cost	13,948	10,102	13,948	10,102
Accumulated depreciation	(2,131)	(1,114)	(2,131)	(1,114)

Total furniture, fixtures and fittings	11,817	8,988	11,817	8,988
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Leasehold Improvements

At cost	76,408	72,758	76,408	72,758
Accumulated amortisation	(6,586)	(2,734)	(6,586)	(2,734)

Total leasehold improvements	69,822	70,024	69,822	70,024
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Total plant and equipment	116,349	95,912	116,349	95,912
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Total property, plant and equipment	116,349	95,912	116,349	95,912
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(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial half year:

	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Improvement s \$	Total \$
Parent and consolidated				
Half Year ended 31 December 2014				
Balance at the beginning of year	16,900	8,988	70,024	95,912
Additions	21,375	3,854	5,380	30,609
Disposals - written down value/ transfers	636	(134)	(1,730)	(1,228)
Depreciation expense	(4,201)	(891)	(3,852)	(8,944)
Balance at the end of the half year	34,710	11,817	69,822	116,349

Notes to the Financial Statements

For the Year Ended 31 December 2014

5 Property, plant and equipment continued

(a) Movements in carrying amounts of property, plant and equipment continued

Parent and consolidated	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Improvement s \$	Total \$
Year ended 30 June 2014				
Balance at the beginning of year	7,189	14,024	74,140	95,353
Additions	17,034	6,743	3,235	27,012
Disposals - written down value/ transfers	(5,600)	(8,990)	636	(13,954)
Depreciation expense	(1,723)	(2,789)	(7,987)	(12,499)
Balance at the end of the half year	16,900	8,988	70,024	95,912

6 Dividends

There were no dividends declared or paid in the current or previous financial half year.

7 Interests in Subsidiaries

(a) Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%) [*] 2015	Percentage Owned (%) [*] 2014
Subsidiaries:			
iQX Investments Pty Limited	Australia	100	100

^{*}The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

8 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2014.

9 Related Parties

(a) The Group's main related parties are as follows:

(i) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

Notes to the Financial Statements

For the Year Ended 31 December 2014

(ii) Other related parties include close family members of key management personnel and entities that are controlled.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

For details of subsidiaries see note 7.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Consulting fees	AFSL fee	Capital raising fees	Office sharing cost	Shared services revenue
KMP related parties - parent and consolidated					
iQ3CORP Limited	10,909	(57,560)	(93,255)	5,731	(26,942)
iQnovate Limited	-	-	-	110,160	(262,817)

Mr Spiro Sakiris is both the Chief Operations Officer and the Chief Financial Officer of iQ3CORP Limited and iQnovate Limited.

10 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial half year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

11 Company Details

The registered office of the company is:

iQX Limited
Level 3, 222 Clarence Street
Sydney NSW 2000

The principal places of business are:

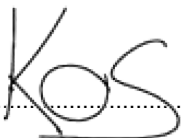
Level 3, 222 Clarence Street
Sydney NSW 2000

Directors' Declaration

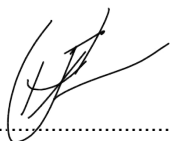
The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 12 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the consolidated group's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.
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.

This declaration is made in accordance with a resolution of the Board of Directors dated 10 March 2015.



Mr Kosmas Dimitriou – Chairman



Dr George Symmalis – CEO & Executive Director

Dated this 12th day of March 2015

iQX Limited and Controlled Entity

ACN: 155 518 380

Independent Auditor's Review Report to the members of iQX Limited and Controlled Entity

Report on the Financial Report

We have audited the accompanying financial report of iQX Limited and Controlled Entity, which comprises the statement of financial position as at 31 December 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 of the Company and 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 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 , 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 iQX Limited and Controlled Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

iQX Limited and Controlled Entity

ACN: 155 518 380

Independent Auditor's Review Report to the members of iQX Limited and Controlled Entity

Opinion

In our opinion:

- (a) the financial report of iQX Limited and Controlled Entity is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and the consolidated entity's financial positions as at 31 December 2014 and of their 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 .

Fortunity Assurance



TR Davidson
Partner

155 The Entrance Road, Erina, NSW

Dated this 12th day of March, 2015