

ACUVAX LIMITED

FINANCIAL REPORT FOR YEAR ENDED 30 JUNE 2014

ACN 007 701 715

Contents

Corporate Directory.....	1
Director' Report.....	2
Corporate Governance Statement	11
Auditor's Independence Declaration.....	23
Statement of Comprehensive Income.....	24
Statement of Financial Position.....	25
Statement of Changes in Equity	26
Statement of Cash flows.....	27
Notes to the Financial Statements	28
Directors' Declaration.....	46
Independent Auditor's Report	47
ADDITIONAL SHAREHOLDERS INFORMATION.....	49

Corporate Directory

Directors

Ian Murie (Non-Executive Chairman)

Roland Berzins (Non-Executive Director)

Alex Bajada (Non-Executive Director – Resigned 29th August 2014)

Kevin Baum (Non-Executive Director – Appointed 29th August 2014)

Company Secretary

Roland Berzins

Registered Office and Principal Place of Business

Suite 2, 16 Ord Street

WEST PERTH, AUSTRALIA, 6005

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Facsimile: 08 9429 1011

Web: www.acuvax.com

Solicitors

Steinepreis Paganin

Level 4 The Read Buildings

16 Milligan St,

PERTH WA 6000

Share Registry

Security Transfer Registrars Pty Ltd

770 Canning Highway

APPLECROSS WA 6153

Telephone: 08 9315 0933

Facsimile: 08 9315 2233

Auditors

RSM Bird Cameron Partners

8 St George's Terrace

PERTH WA 6000

Australian Securities Exchange Code: ACU

Directors' Report

Your directors submit the financial report of the consolidated group for the year ended 30 June 2014.

Directors:

The names of directors who held office during the year and up to the date of this report:

Ian Murie	Director (Non Executive – appointed on 21st October 2010)
Roland Berzins	Director (Non Executive – appointed on 27th January 2012)
Alistair Jobling	Director (Non Executive – appointed on 16th October 2012 and resigned on 10th October 2013)
Anton Uvarov	Director (Non Executive – appointed on 10th October 2013 and resigned on 14 th March 2014)
Alex Bajada	Director (Non Executive – appointment on 23 rd May 2014 and resigned on 29 th August 2014)
Kevin Baum	Director (Non Executive – appointment on 29 th August 2014)

Principal Activity:

The principal activities of entities in Acuvax during the year were research and development of cancer therapies and virus and vaccine development.

Operating Results:

The operating loss after income tax of the consolidated group for the year ended 30 June 2014 was \$859,019 (30 June 2013: \$965,711).

Review of Operations:

On 4 July 2013, the Company advised the ASX and shareholders that as a result of not completing the proposed capital raising, the proposed acquisition of Biolife Science Limited ("BioLife") was terminated and that the Company would once again focus its attention on the business activity of BioHealth.

The Directors of the Company have however continued to examine alternate business activities for the Company to consider.

On 23 June 2014, the Company entered into a binding heads of Agreement to acquire 100% of all rights and title to all of the issued capital of Activistic Pty Ltd.

Activistic has developed a new cost efficient collection system through a technology that enables regular payments or contributions utilising a mobile phone network. The contributions are forwarded to the intended donor organisation with minimal handling expense thereby maximising the value of the contribution at the intended target organisation.

Activistic has designed and developed a suite of apps and sophisticated processing administration systems to ensure the efficient roll out of this collection system.

In order to support this proposed acquisition, the Company issued 340,000,000 Fully paid ordinary shares, @\$0.0005 each, to raise \$170,000 which was applied to the cost of entering into the HoA and working capital.

Change of Directors

On 14 March 2014, Mr Anton Uvarov resigned from the board of Acuvax and was replaced by Mr Alex Bajada.

Share structure

As at the date of this report, there were 3,892,968,923 shares on issue (30 June 2013: 2,292,968,922).

Litigation:

There are no other current actions against the Company or by the Company against third parties.

Events after the Reporting Date:

Pursuant to the signing of the binding heads of agreement, a general meeting of shareholders was subsequently held on 30 July 2014. The shareholders approved this issue of shares and also approved a further distribution of 1,260,000,000 Fully Paid Ordinary shares to raise a further \$630,000 plus the approval to raise, by way of a prospectus a further \$3,000,000.

As a result of the completion of a short form prospectus, date 19 August 2014, the Company issued another single share and raised \$0.0005, and as a result of this action, was reinstated to the ASX Official Quotation listing on 20 August 2014.

Dividends:

The Directors do not recommend payment of any dividends at this time and no dividend was paid during the period.

Environment Issues:

As a holding company, which derives its values largely through the operation of its subsidiaries and related companies, the company does not conduct significant activities, and as such has minimal environmental impact. Prudent policies and procedures have been enacted with respect to commonly accepted practice on energy conversation, recycling, and other initiatives to reduce environmental impact of ongoing operations.

The related companies follow the highest ethical, environmental and clinical standards.

Information on directors and secretary:

Ian Murie

Director (Non-Executive – appointed on 21st October 2010)

Ian Murie runs a commercial legal practice in West Perth and has been admitted for over 30 years. He holds a Bachelor of Law degree from the University of Western Australia and is a Notary Public. He was previously the Chairman of publicly listed Excalibur Mining Corporation Limited and is a director of Palace Resources Ltd. He was previously on the Compliance committee of four Great Southern vineyard schemes.

Roland Berzins **Director, Group Secretary and Public Officer, appointed on 27 January 2012**

Qualifications B Comm. ACPA FFIN TA.

Mr. Berzins graduated from the University of Western Australia with a Bachelor of Commerce majoring in accounting and finance.

Since 1996 Mr. Berzins has been Group secretary for a variety of ASX listed companies, and has also had experience in retail, merchant banking, venture capital and SME business advisory.

In addition, Mr Berzins has extensive experience with respect to financial management within the mining industry and large organizations.

Other directorships Mr. Berzins is currently a director of:
Odin Energy Ltd
AXG Mining Limited

Other directorships in the last three years.

Palace Resources Ltd (20/5/2005 to 3/9/2011)

Alex Bajada **Director – Appointed 23 May 2014 and resigned on 29th August 2014**

Qualifications **B.Ecom (UWA)**

Mr Bajada is Executive Director of Spartan Nominees Pty Ltd, corporate consultants. He is a former stockbroker with many years' experience in the corporate sector and has been involved in the management of public companies for many years fulfilling the roles of chairman and director.

Other directorships Executive Chairman of Excalibur Mining Corporation Limited (Appointed 30 November 2004), Chairman of AXG Mining Limited (Appointed 13 February 2007), Wesbeam (appointed June 2003) and an Independent Director of the WA Local Government Superannuation Plan.

Other Directorships within the last three years

AXG Energy Limited (13/02/2007 to 19/12/2012).

Alistair Jobling **Director-Appointed 16 October 2012 and resigned 10 October 2013.**

Qualifications B Sc. (Nottingham) MBA (Edinburgh) Grad Dip App Finn

Other directorships Mr Jobling does not currently hold any other directorships of ASX listed companies. He was a Non-Executive Director of Advance Energy Ltd between 12 December 2012 and 6 June 2013

Anton Uvarov **Director (Non-Executive – appointed on 10th October 2013 and resigned on 14th March 2014)**

Dr Uvarov has a broad experience of working with leading US institutional clients as a part of his research mandate at Citigroup. Prior to Citi Anton was a part of Strategy & Alliance team at a Calgary based SMART Technologies in a role of strategy analyst. SMART is a globally known public company that pioneered interactive white boards for K-12 educational system and has a presence in more than 175 countries.

Kevin Baum **Director – Appointed 29th August 2014**

Mr Baum has been in the management team of a number of technology companies since 1987, including Managing Director of ASX listed company Chrome Global, Microbase, Readyflowes & OzEmail.

Mr Baum has provided strategic and technical advice to Australian and Asian companies in the consumer and business to digital business space.

In addition, Mr Baum has extensive experience in creating effective digital business models and how to build rapid growth companies.

Other directorships Mr Baum has not been a director of any ASX publically listed companies in the last 3 years.

Meetings of Directors:

During the financial year, 8 meetings of directors (including committees) were held. Attendances were:

Director	Number of meetings attended	Number of meetings held
I Murie	8	8
A Uvarov	2	2
A Jobling	4	4
R Berzins	8	8
A Bajada	3	3

Current Directors' interests in Acuvax ordinary shares

As at the date of this report:

Directors	Balance
I Murie	-
R Berzins	-
A. Jobling	12,500,000
A Uvarov	-
A Bajada	162,830,360

During the year ended 30 June 2014

Name	Direct	Indirect	Total
Ian Murie	-	-	-
Roland Berzins	-	-	-
Alistair Jobling	-	12,500,000	12,500,000
Anton Uvarov	-	-	-
Alex Bajada (resigned 29 August 2014)	-	162,830,360	162,830,360
Total	-	175,330,360	175,330,360

During the year ended 30 June 2013

Name	Direct	Indirect	Total
Ian Murie	-	-	-
Roland Berzins	-	-	-
Alistair Jobling	-	12,500,000	12,500,000
Keong Chan (resigned 1 October 2012)	-	-	-
Total	-	12,500,000	12,500,000

Remuneration Report (Audited)

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

Principles used to determine the nature and amount of remuneration

The Company's policy for determining the nature and amount of emoluments of Board members and senior executives of the company is as follows:

- The remuneration structure for executive officers, including executive directors, will emphasise payments for results through providing various reward schemes.
- The objective of the reward schemes is to both reinforce the short and long term goals of the Company and to provide a common interest between management and shareholders.
- Establish appropriate performance hurdles in relation to variable remuneration.
- The aim of the policy is to reward employees for the success of the Company and its performance overall.

Remuneration Committee

Due to the current size of the Board and the number of staff, the full Board is responsible for determining and reviewing compensation arrangements for directors, the chief executive officer and all staff. The Board may seek independent expert advice to assess the nature and amount of remuneration of all staff including directors and the chief executive officer by reference to relevant employment market conditions with the overall objective being the retention and attraction of a high quality board, executive and company.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and senior executive remuneration is separate and distinct.

Non-executive director remuneration***Objective***

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on 4 November 2004 when shareholders approved an aggregate remuneration of \$300,000 per year. The board considers advice from external consultants when undertaking the annual review process.

Due to tight financial constraints, every effort has been made to reduce all fees, including director compensation.

Each director receives a fee for being a director.

The remuneration of non-executive directors for the year ended 30 June 2014 is detailed in page 9.

Senior manager and executive director remuneration***Objective***

The Company aims to reward and attract senior managers and executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company.

Structure

In determining the level and make up of senior manager and executive remuneration, the Board may engage external consultants to provide independent advice. Remuneration generally consists of the following elements:

- Fixed remuneration;
- Variable remuneration; and
- Long Term Incentive.

No executives have long term contracts and non-executive directors have no notice period. Further details regarding remuneration of senior managers and executive directors for the year ended 30 June 2014 is detailed in page 9.

Fixed Remuneration

Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. It is reviewed annually and it involves where appropriate the access to external advice.

Variable Remuneration and long term incentive

Structure

The Company's policy for determining the nature and amount of emoluments of Board members and senior executives of the Company is as follows:

- The remuneration structure for executive officers, including executive directors, will seek to emphasise payments for results through providing various reward schemes. The objective of the reward schemes is to both reinforce the short and long term goals of the Company and to provide a common interest between management and shareholders.

At this stage the Company doesn't offer any alternatives for the fixed component.

Employment contract

There are no employment contracts currently.

Details of Key Management Personnel

Directors:

Ian Murie	Director (Non Executive – appointed on 21st October 2010)
Roland Berzins	Director (Non Executive – appointed on 27th January 2012)
Alistair Jobling	Director (Non Executive – appointed on 16th October 2012 and resigned on 10th October 2013)
Anton Uvarov	Director (Non Executive – appointed on 10th October 2013 and resigned on 14 th March 2014)
Alex Bajada	Director (Non Executive – appointment on 23 rd May 2014 and resigned on 29 August 2014)
Kevin Baum	Director (Non Executive – appointment on 29 August 2014)

Remuneration of directors and executives:

For the year ended 30 June 2014

Directors	Salary and fees	Superannuation	Sub total	Share based payments	Total	Share based payments as a proportion %
Non-executive						
I. Murie	20,000	-	20,000	-	20,000	-
A. Uvarov	-	-	-	-	-	-
R. Berzins	20,000	-	20,000	-	20,000	-
A. Jobling	12,000	-	12,000	-	12,000	-
A. Bajada	2,500	-	2,500	-	2,500	-
Total Directors	54,500		54,500		54,500	-

For the year ended 30 June 2013

Directors	Salary and fees	Superannuation	Sub total	Share based payments	Total	Share based payments as a proportion %
Non-executive						
I. Murie	20,000	-	20,000	-	20,000	-
K. Chang	6,667	-	6,667	-	6,667	-
R. Berzins	20,000	-	20,000	-	20,000	-
A. Jobling	53,196	-	53,196	-	53,196	-
Total Directors	99,863	-	99,863	-	99,863	-

No performance based remuneration was issued during the year (2013: nil). Fixed remuneration for 2014 was 100% (2013: 100%) for all directors and nil% (2013: nil%) was at risk.

Share-based compensation

Options

During the 2014 and 2013 years no options were granted or exercised by executive directors and officers of Acuvax Limited.

Shares

During the year no shares (2013: Nil) were issued to executive and non-executive directors of Acuvax Limited in lieu of directors' fees.

Indemnities and insurance

During or since the end of the financial year, the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums, as follows:

The Company procures and pays the premium for an insurance policy to cover, to the extent permitted by law, claims and expenses against directors and officers of the Company arising as a result of work performed in their capacity as an officer, and to continue maintaining an insurance policy for a period of seven years after an officer has ceased to act in that capacity.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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

Financial Position

Directors believe that there are reasonable grounds to believe that the Company and Consolidated Entity will continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report can be found in Note 1.

Non-Audit Services

No non-audit services were provided by the entity's auditor, RSM Bird Cameron.

Auditor's Declaration:

The auditor's independence declaration under s 307C of the Corporation Act 2001 is set out on page 23 for the year ended 30 June 2014.

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



Roland Berzins
Director
Date: 26th September 2014

Corporate Governance Statement

The Board of Directors ('Board') of Acuvax Limited is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of Acuvax Limited (the 'Company') on behalf of the shareholders by whom they are elected and to whom they are accountable.

The table below summarises the Company's compliance with the ASX Corporate Governance Council's Revised Principles and Recommendations.

Principles and Recommendations		Compliance	Comply
Principle 1 – Lay solid foundations for management and oversight			
1.1	Establish the functions reserved to the Board of Acuvax Limited and those delegated to senior executives and disclose those functions.	<p>The Board is responsible for the overall corporate governance of the Company.</p> <p>The Board has adopted a Board Charter that formalises its roles and responsibilities and defines the matters that are reserved for the Board and specific matters that are delegated to management. A summary of those matters is set out in this Corporate Governance Statement.</p> <p>The Board has adopted a Delegations of Authority that sets limits of authority for senior executives.</p> <p>On appointment of a Director, the Company issues a letter of appointment setting out the terms and conditions of appointment to the Board.</p>	Complies.
1.2	Disclose the process for evaluating the performance of senior executives.	Senior executives prepare strategic objectives that are reviewed and signed off by the Board. These objectives must then be met by senior executives as part of their key performance targets. The Chief Operating Officer ('COO') then reviews the performance of the senior executives against those objectives. The Board reviews the COO's compliance against his and the Company's objectives. These reviews occur annually.	Complies.
1.3	Provide the information indicated in the <i>Guide to reporting on Principle 1</i> .	<p>A copy of the Board Charter is available on the Company's website and is summarised in this Corporate Governance Statement.</p> <p>The performance evaluation process for senior executives is summarised in this Corporate Governance Statement.</p> <p>The Board conducted a performance evaluation for senior executives in the financial year in accordance with the process summarised in this Corporate Governance Statement.</p>	Complies.

Principles and Recommendations		Compliance	Comply
Principle 2 – Structure the Board to add value			
2.1	A majority of the Board should be independent directors.	<p>The Company has independent Directors, Mr Ian Murie and Mr Roland Berzins are considered independent by virtue of their positions as Non - Executive Chairman and Non - Executive Director respectively. Mr Bajada is considered independent although he holds shares in the Company, but the shareholding is less than 5 % of the Company.</p> <p>The Directors are satisfied that the composition and structure of the Board is appropriate for the size of the Company and the nature of its operations. The membership of the Board, its activities and composition is subject to periodic review.</p>	Complies
2.2	The Chair should be an independent director.	The Chairman of the Board, Mr Ian Murie, is an independent Director for the reasons set out in 2.1 above.	Complies
2.3	The roles of Chair and Chief Executive Officer should not be exercised by the same individual.	Ian Murie is the Chairman and Alex Bajada is the Chief Operating Officer.	Complies.
2.4	The Board should establish a nomination committee.	The Company has not established a separate Nomination Committee. Given the Company's current size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. Accordingly, the duties of the Nomination Committee, as set out in the Nomination Committee Charter on the Company's website, are currently undertaken by the full Board.	Does not comply.
2.5	Disclose the process for evaluating the performance of the Board, its committees and individual directors.	The performance of the Directors is evaluated informally by assessing each Director's contribution and attendance at all board meeting.	Complies.
2.6	Provide the information indicated in the <i>Guide to reporting on Principle 2</i> .	<p>The skills, experience and expertise of by each Director are set out in the Directors' Report in this Annual Report.</p> <p>The Company has independent Directors. A Director is considered independent when he substantially satisfies the test for independence as set out in the ASX Corporate Governance Recommendations. Refer to 2.1 above.</p>	Complies.

Principles and Recommendations		Compliance	Comply
		<p>Members of the Board are able to take independent professional advice at the expense of the Company.</p> <p>Ian Murie , Executive Chairman, was appointed to the Board in Oct 2010.</p> <p>Alex Bajada , Chief Operating Officer, was appointed to the Board in May 2014..</p> <p>Roland Berzins, Non-Executive Director, was appointed to the Board in January 2012.</p> <p>The Board has not established a Nomination Committee for the reasons set out in 2.4 above.</p> <p>The Board has undertaken a review of the mix of skills and experience on the Board in light of the Company's principal activities and direction, and has considered diversity in succession planning. The Board considers the current mix of skills and experience of members of the Board and its senior management is sufficient to meet the requirements of the Company.</p>	
Principle 3 – Promote ethical and responsible decision making			
3.1	<p>Establish a code of conduct and disclose the code or a summary of the code as to:</p> <ul style="list-style-type: none"> the practices necessary to maintain confidence in the Company's integrity; the practices necessary to take into account the Company's legal obligations and the reasonable expectations of its stakeholders; the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. 	<p>The Company has developed a Code of Conduct for Directors, management and staff, underlying the Company's commitment to high ethical standards in the conduct of the Company's business. The Board is responsible for ensuring the Company's compliance with the Code and the good and fair management of reports of any breaches.</p> <p>Acuvax Securities trading Policy applies to all Directors, officers and employees of Acuvax – it sets out the prohibition against insider trading and prescribes certain requirements for dealing in the Company's securities.</p> <p>A copy of the Code of Conduct and Securities Trading policy is available on the Company's website.</p>	Complies.
3.2	<p>Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should</p>	<p>The Board has established a Diversity Policy and is committed to workplace diversity, with a particular focus on supporting the representation of women at the senior level in the Company and on the</p>	Complies.

Principles and Recommendations		Compliance	Comply
	include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.	Board. A copy of the Diversity Policy is available on the Company's website.	
3.3	Disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.	The Company is at a stage of its development that the application of measurable objectives in relation to gender diversity, at the various levels of the Company's business, are not considered to be appropriate nor practical.	Does not Comply.
3.4	Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	The Company has included the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board at the end of this Corporate Governance Statement, under the section 'Diversity'.	Complies.
3.5	Provide the information indicated in the <i>Guide to reporting on Principle 3</i> .	The Company has provided explanations of departures from Recommendations in relation to Principle 3 and has noted that copies of the Code of Conduct and the Diversity Policy are available on the Company's website.	Complies.
Principle 4 – Safeguard integrity in financial reporting			
4.1	The Board should establish an audit committee.	The Board believes the Company is not currently of a sufficient size, nor its financial affairs of such complexity to justify the formation of an audit committee. The full Board undertakes the functions normally associated with an audit committee.	Does not comply.
4.2	The audit committee should be structured so that it consists of only non-executive directors, a majority of independent directors, is chaired by an independent chair who is not chair of the Board and has at least 3 members.	The Company has not established a separate audit and risk committee for the reasons set out above.	Does not comply.

Principles and Recommendations		Compliance	Comply
4.3	The audit committee should have a formal charter.	The Board has adopted a separate Audit and Risk Committee charter to assist it in performing the relevant functions of an audit and risk committee. A copy of the Audit and Risk Committee Charter is available on the Company's website.	Complies.
4.4	Provide the information indicated in the <i>Guide to reporting on Principle 4</i> .	<p>The Company has not established a separate audit and risk committee for the reasons outlined above. Therefore, it has not disclosed the names and qualifications of the committee but has disclosed that the functions normally carried out by the committee are performed by the full Board.</p> <p>The Audit and Risk Committee Charter, which contains procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners, is available on the Company's website.</p>	Complies.
Principle 5 – Make timely and balanced disclosure			
5.1	Establish written policies designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	<p>The Company has established a Continuous Disclosure Policy, to ensure that it complies with the continuous disclosure regime under the ASX Listing Rules and the Corporations Act 2001.</p> <p>The Continuous Disclosure Policy is available on the Company's website.</p>	Complies.
5.2	Provide the information indicated in the <i>Guide to reporting on Principle 5</i> .	The Company's Continuous Disclosure Policy is available on its website.	Complies.
Principle 6 – Respect the rights of shareholders			
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose that policy or a summary of that policy.	The Company has designed a Shareholder Communications Policy for promoting effective communication with shareholders and encouraging their participation at general meetings. The Company uses its website, quarterly, interim and annual reports, market announcements and media disclosures to communicate with its shareholders.	Complies.

Principles and Recommendations		Compliance	Comply
6.2	Provide the information indicated in the <i>Guide to reporting on Principle 6</i> .	The Company's Shareholder Communications Policy is available on its website.	Complies.
Principle 7 – Recognise and manage risk			
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	<p>The Company has established policies for the oversight and management of material business risks. The Board is responsible for overseeing risk management strategy and policies, internal compliance and internal control.</p> <p>The Risk Management Policy is available on the Company's website and is summarised in this Corporate Governance Statement.</p>	Complies.
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	<p>The Company has identified key risks within the business. In the ordinary course of business, management monitors and manages those risks.</p> <p>Key operational and financial risks are presented to and reviewed by the Board at each Board meeting.</p>	Complies.
7.3	The Board should disclose whether it has received assurance from the Chief Executive Officer and Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating efficiently and effectively in all material respects in relation to the financial reporting risks.	The Board has received a statement from the Chief Operating Officer and Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act 2001 is founded on a sound system of risk management and internal control and that the system is operating efficiently and effectively in all material respects in relation to the financial reporting risks.	Complies.

Principles and Recommendations		Compliance	Comply
7.4	Provide the information indicated in the <i>Guide to reporting on Principle 7</i> .	<p>Management has reported to the Board as to the effectiveness of the Company's management of its material business risks.</p> <p>The Company has received a statement of assurance from the Chief Operating Officer and Chief Financial Officer (or equivalent)</p> <p>The Risk Management Policy is available on the Company's web site and is summarised in this Corporate Governance Statement.</p>	Complies
Principle 8 – Remunerate fairly and responsibly			
8.1	The Board should establish a remuneration committee.	<p>The Board has not established a separate Remuneration Committee. Given the Company's current size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. Accordingly, the duties of the Remuneration Committee are currently undertaken by the full Board.</p> <p>The Board has adopted a Remuneration Committee Charter which it follows when considering matters that would usually be considered by a remuneration committee.</p>	Does not comply.
8.2	The remuneration committee should be structured so that it consists of a majority of independent Directors, is chaired by an independent chair and has at least three members.	Refer to 8.1 above.	Does not comply.
8.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The Company has separate policies relating to the remuneration of Non-Executive Directors and that of Executive Directors and senior executives. This information is detailed in the Remuneration Report, which forms part of the Directors' Report in this Annual Report.	Complies.
8.4	Provide the information indicated in the <i>Guide to reporting on Principle 8</i> .	<p>The Company has not established a Remuneration Committee for the reasons outlined above.</p> <p>The Company does not have any schemes for retirement benefits other than superannuation for Non-Executive Directors.</p> <p>Explanations for departures from</p>	Complies.

Principles and Recommendations	Compliance	Comply
	<p>Recommendations 8.1 and 8.2 are set out above.</p> <p>A copy of the Remuneration Committee Charter, which is followed by the Board, is available on the Company's website.</p> <p>The Securities Trading Policy, a copy of which is available on the Company's website, prohibits the hedging of risk of fluctuation of the value of the Company's securities.</p>	

Acuvax Limited's corporate governance practices were in place for the financial year ended 30 June 2014 and to the date of signing the Directors' Report in this Annual Report.

Various corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by Acuvax Limited, refer to our website, www.Acuvax.com.au.

The Role of the Board and Management

In carrying out the responsibilities and powers set out in the Board Charter, the Board of Directors of the Company recognises:

- its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of its shareholders; and
- its duties and responsibilities to its employees, customers and the community.

In addition to matters it is expressly required by law to approve, the Board has the following specific responsibilities:

- appointment of the Chief Operating Officer and other senior executives and the Company Secretary and the determination of their terms and conditions including remuneration and termination;
- driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- approving and monitoring the budget and adequacy and integrity of financial and other reporting;
- approving the annual, half-yearly and quarterly accounts;
- approving significant changes to organisational structure;
- approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with the ASX Listing Rules if applicable);
- ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules if applicable); and

- meeting with the external auditor, at their request, without management being present.

The Board shall delegate responsibility for the day to day operations and administration of the Company to the Chief Operating Officer. In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Company to facilitate the carrying out of their duties as Directors.

Composition of the Board

The Company's Constitution governs the regulation of meetings and proceedings of the Board.

The Board determines its size and composition, subject to the terms of the Constitution. The Board does not believe that it should establish a limit on tenure other than stipulated in the Company's Constitution.

While tenure limits can help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight in the Company and its operations and, therefore, an increasing contribution to the Board as a whole. Where practical, it is intended that the Board should comprise a majority of independent Non-Executive Directors and comprise Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds. Where practical, it is also intended that the Chair should be an independent Non-Executive Director. The Board regularly reviews the independence of each Director in light of the interests disclosed to the Board.

The Board only considers Directors to be independent where they are independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgment. The Board has adopted a definition of independence based on that set out in Principle 2 of the ASX Corporate Governance Revised Principles and Recommendations. The Board reviews the independence of each Director in light of interests disclosed to the Board, including their participation in Board activities associated with related entities, from time to time.

In accordance with the definition of independence above, none of the Directors of Acuvax Limited is considered to be independent:

The appointment date of each Director in office at the date of this report is as follows:

Name	Position	Appointment Date
Ian Murie	Non - Executive Director, Chairman	Appointed October 2010
Roland Berzins	Non - Executive Director	Appointed January 2012
Alex Bajada	Non-Executive Director	Appointed May 2014 – resigned 29 Aug 2014
Kevin Baum	Non-Executive Director	Appointed 29 Aug 2014

Further details on each Director can be found in the Directors' Report in this Annual Report.

Committees of the Board

Given the Company's current size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. Accordingly, the duties of the committees below are currently undertaken by the full Board:

- Audit and Risk Committee;
- Remuneration Committee; and
- Nomination Committee.

Access to Advice

The Board, Committees, if any, or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman. A copy of such advice received is made available to all members of the Board.

Dealings in Company Securities

The Company's Securities Trading Policy outlines when Key Management Personnel (the Company's Directors and those employees directly reporting to the Managing Director) may deal in the Company's securities and contains procedures to reduce the risk of insider trading.

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

- from the day after the Company's half-year end, being 1 January, to the close of trading on the business day after the half-year report is released and the day of, and 1 trading day after the release of the Appendix 4C Report to the ASX;
- 1 April and 1 trading day after release of the Appendix 4C Report to the ASX;
- from the day after the Company's financial year end, being 1 July, to the close of trading on the business day after the annual report is released and the day of, and 1 trading day after the release of the Appendix 4C Report to the ASX;
- 1 October and 1 trading day after release of the Appendix 4C Report to the ASX.

As required by the ASX Listing Rules, the Company notifies the ASX of any transactions conducted by Directors in the securities of the Company within five business days of the transaction taking place.

The Securities Trading Policy prohibits Key Management Personnel from entering into transactions which would have the effect of hedging or transferring the risk of any fluctuation in the value of the Company's securities.

The Securities Trading Policy has been issued to ASX and a copy is available on the Company's website.

Risk

The responsibility of overseeing risk usually falls within the charter of the Audit and Risk Committee (a copy of which is available on the Company's website). However, there is currently no separate Audit and Risk Committee. Given the Company's current size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. Accordingly, the duties of the Audit and Risk Committee, including overseeing risk management, are undertaken by the full Board.

The Company identifies areas of risk within the Company and management and the Board continuously undertake a risk assessment of the Company's operations, procedures and processes. The risk assessment is aimed at identifying the following:

- a culture of risk control and the minimisation of risk throughout the Company, which is being done through natural or instinctive processes by employees of the Company;
- a culture of risk control that can easily identify risks as they arise and amend practices;

- the installation of practices and procedures in all areas of the business that are designed to minimise an event or incident that could have a financial or other effect on the business and its day to day management; and
- adoption of these practices and procedures to minimise many of the standard commercial risks, i.e. taking out the appropriate insurance policies, or ensuring compliance reporting is up to date.

COO and CFO certification

The Chief Operating Officer and Chief Financial Officer (or equivalent) have given a written declaration to the Board required by section 295A of the Corporations Act 2001 that in their view:

- the financial statements of the Company present a true and fair view, in all material aspects, of the Company's financial position and operating results and are in accordance with accounting standards;
- the above statement is founded on a sound system of risk management and internal compliance and control; and
- the Company's risk management and internal compliance and control system is operating effectively in all material respects in relation the financial reporting risks.

Performance

The performance of the Board and key Executives is reviewed regularly using both measurable and qualitative indicators.

On an annual basis, Directors will provide written feedback in relation to the performance of the Board and its Committees, if any, against a set of agreed criteria.

- Feedback will be collected by the Chair of the Board, or an external facilitator, and discussed by the Board, with consideration being given as to whether any steps should be taken to improve performance of the Board;
- The Chief Operating Officer will also provide feedback from senior management in connection with any issues that may be relevant in the context of Board performance review; and
- Where appropriate to facilitate the review process, assistance may be obtained from third party advisers.

A review of the performance of the Board was conducted in accordance with the process disclosed.

Remuneration

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and Executive team by remunerating Directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Board, in assuming the responsibilities of assessing remuneration to employees, links the nature and amount of Executive Directors' and officers' remuneration to the Company's financial and operational performance. The expected outcomes of the remuneration structure are:

- retention and motivation of key executives;
- attraction of high quality management to the Company; and
- performance incentives that allow executives to share in the success of Acuvax Limited.

For a more comprehensive explanation of the Company's remuneration framework and the remuneration received by Directors and key Executives in the current period, please refer to the Remuneration Report, which forms part of the Directors' Report in this Annual Report.

There is no scheme to provide retirement benefits to Non-Executive (or Executive) Directors.

The duties of the Remuneration Committee are currently undertaken by the full Board, which is responsible for determining and reviewing compensation arrangements for the Directors themselves and the Chief Operating Officer and Executive team.

Diversity

The Company and all its related bodies corporate are committed to workplace diversity. The Company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefitting from all available talent.

Diversity includes, but is not limited to gender, age, ethnicity and cultural background.

The Diversity Policy is available on the Company's website.

As stated earlier, the Company is at a stage of its development that the application of measurable objectives in relation to gender diversity, at the various levels of the Company's business, are not considered to be appropriate nor practical.

The participation of women in the Company and consolidated entity at 30 June 2014 was as follows:

- | | |
|--|----|
| • Women employees in the consolidated entity | 0% |
| • Women in senior management positions | 0% |
| • Women on the board | 0% |

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Acuvax Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



RSM BIRD CAMERON PARTNERS



S C CUBITT
Partner

Perth, WA
Dated: 26 September 2014

Statement of Comprehensive Income

For The Year Ended 30 June 2014

		CONSOLIDATED	
	Note	2014	2013
		\$	\$
Income			
Trading Income		9,297	7,246
Interest Income		562	11,869
Total income		9,859	19,115
Expenses			
Professional fees	4(a)	523,852	317,171
Employee and director expenses	4(b)	45,833	99,863
Foreign currency translation loss realised from de-recognition of foreign operations		-	307,491
Amortisation		-	18,186
Impairment of intangibles		72,743	-
Impairment of receivables		88,934	-
Other expenses	4(c)	137,516	242,115
Total expenses		868,878	984,826
Loss before income tax		(859,019)	(965,711)
Income tax expense	13	-	-
Net loss for the year		(859,019)	(965,711)
Other comprehensive income			
Items that have been reclassified to profit and loss			
Foreign currency translation loss realised from de-recognition of foreign operations		-	307,491
Total other comprehensive income		(859,019)	(658,220)
Total comprehensive loss for the year		(859,019)	(658,220)
Net Loss Attributable to:			
-members of Acuvax Limited		(852,043)	(945,648)
-Non-controlling interests		(6,976)	(20,063)
		(859,019)	(965,711)
Total comprehensive loss attributable to:			
-members of Acuvax Limited		(852,043)	(638,157)
-Non-controlling interests		(6,976)	(20,063)
		(859,019)	(658,220)
Basic Loss per share (cents)	5	(0.037)	(0.042)
Diluted loss per share (cents)	5	(0.037)	(0.042)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

For The Year Ended 30 June 2014

		CONSOLIDATED	
	Note	2014	2013
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6(a)	224,178	137,566
Receivables	7	-	129,190
Inventory		9,630	22,937
Total current assets		233,808	289,693
NON CURRENT ASSETS			
Intangible assets	8	-	72,742
Total non-current assets		-	72,742
Total assets		233,808	362,435
LIABILITIES			
CURRENT LIABILITIES			
Payables	9	813,802	253,410
Total liabilities		813,802	253,410
Net (liabilities) / assets		(579,994)	109,025
EQUITY			
Contributed equity	10	57,317,205	57,147,205
Reserves	11	2,131,310	2,131,310
Accumulated losses	12	(60,074,396)	(59,222,353)
Non-controlling interest		45,887	52,863
Total (deficit) / equity		(579,994)	109,025

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of Changes in Equity FOR THE YEAR ENDED 30 JUNE 2014

2014 CONSOLIDATED	Issued Capital	Share Based Payment Reserves	Foreign currency translation reserve	Non- controlling Interest	Accumulated Losses	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2013	57,147,205	2,131,310	-	52,863	(59,222,353)	109,025
(Loss) for the year	-	-	-	(6,976)	(852,043)	(859,019)
Other comprehensive income/(loss) for the year	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(6,976)	(852,043)	(859,019)
Issued Capital	170,000	-	-	-	-	170,000
Balance at 30 June 2014	57,317,205	2,131,310	-	45,887	(60,074,396)	(579,994)

2013 CONSOLIDATED	Issued Capital	Share Based Payment Reserves	Foreign currency translation reserve	Non- controlling Interest	Accumulated Losses	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2012	57,147,205	2,131,310	(307,491)	72,926	(58,276,705)	767,245
(Loss) for the year	-	-	-	(20,063)	(945,648)	(965,711)
Other comprehensive income/(loss) for the year	-	-	307,491	-	-	307,491
Total comprehensive income/(loss) for the year	-	-	307,491	(20,063)	(945,648)	(658,220)
Balance at 30 June 2013	57,147,205	2,131,310	-	52,863	(59,222,353)	109,025

The above statement of movements in equity should be read in conjunction with the accompanying notes.

Statement of Cash flows

FOR THE YEAR ENDED 30 JUNE 2014

		CONSOLIDATED	
	Note	2014	2013
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		4,741	8,318
Cash payments in the course of operations		(88,691)	(449,101)
Interest received		562	7,246
Net cash used in operating activities	6 (b)	<u>(83,388)</u>	<u>(433,537)</u>
 CASH FLOW FROM FINANCING ACTIVITIES			
Loans to other entities		-	(123,934)
Proceeds from the issue of shares		170,000	-
Net cash provided by / (used in) financing activities		<u>170,000</u>	<u>(123,934)</u>
 Net increase / (decrease) in cash and cash equivalents held		86,612	(557,471)
 Cash and cash equivalents at the beginning of the financial year		137,566	695,037
Cash and cash equivalents at the end of the financial year	6(a)	<u>224,178</u>	<u>137,566</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements and notes represent those of Acuvax Limited and Controlled Entities ("the Consolidated group or "Group"). Acuvax Limited is a public listed company, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Acuvax Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity 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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 10 Consolidated Financial Statements

The consolidated entity has applied AASB 10 from 1 July 2013, which has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights that give it the current ability to direct the activities that significantly affect the investee's returns. The consolidated entity not only has to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

The consolidated entity has applied 2011-4 from 1 July 2013, which amends AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No.1) now specify the KMP disclosure requirements to be included within the directors' report.

These consolidated financial statements and notes represent those of Acuvax Limited and Controlled Entities ("the Consolidated group or "Group"). Acuvax Limited is a public listed company, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Acuvax Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

(a) 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) and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. 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 these financial statements are presented below and have been consistently applied unless stated otherwise.

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 financial liabilities.

(b) Going concern

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

As disclosed in the financial statements, the Company and consolidated group incurred losses of \$836,583 and \$859,019 respectively and the consolidated group had net cash outflows from operating activities of \$83,388 for the year ended 30 June 2014. As at that date the Company and consolidated group had net liabilities of \$571,353 and \$579,994 respectively. These factors indicate significant uncertainty as to whether the Company and consolidated entity will continue as going concerns and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report

The Directors believe that it is reasonably foreseeable that the Company and consolidated group will continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report, after consideration of the following factors:

- As disclosed in Note 19, relative to the acquisition of Activistic Pty Ltd, the Company has raised a total of \$800,000 by issuing 1.6 billion shares at \$0.0005 each, of which \$170,000 was raised in June 2014 and the balance of \$630,000, in July 2014;
- \$672,084 of the amount included in Creditors and Other Payables as disclosed in Note 9, has been negotiated with the creditors to be converted to share equity, subject to Shareholders' approval;
- Pursuant to the provisions of the *Corporations Act 2001*, the Company will issue a prospectus to raise share capital in the range of \$3,000,000 to \$5,000,00 in or about November 2014, to permit it to

undertake the development and commercialisation of the mobile phone collection and distribution to beneficiaries system technology, that underlies the acquisition of Activistic Pty Ltd, referred to above; and

- In the event the raising of share capital is delayed or partial to that planned, the Company has the ability to downsize its activities, to conserve its cash resources.

Accordingly, the Directors believe that the Company and consolidated entity will be able to continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Company and consolidated entity do not continue as going concerns.

(c) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 2.

(d) Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June each year.

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Acuvax Limited ("Company" or "parent entity") as at 30 June 2014 and the results of all subsidiaries for the year then ended. Acuvax Limited and its subsidiaries together are referred to in this financial report as the group or the consolidated entity.

Subsidiaries are all entities over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Investments in subsidiaries are accounted for at cost in the separate financial statements of Acuvax Limited.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income is recognised using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(f) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

(g) Cash and cash equivalents

For the purposes of presentation in the statement of cash flows, cash and cash equivalents consist of cash at bank and on hand with an original maturity of three months or less.

(h) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

The amount of the impairment loss is recognised in the loss within impairment loss. When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off. Subsequent recoveries of amounts previously written off are credited in profit or loss.

(i) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part 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 taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(k) Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is reclassified from equity and recognised in profit or loss as a reclassification adjustment. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

If there is evidence of impairment for any of the Group's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated

future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in profit or loss.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which were unpaid. The amounts are unsecured.

(m) Share based payments

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Binomial method.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Acuvax Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see note 5).

(n) Intangible Assets

Licenses

Licenses are recorded at cost less accumulated amortisation and impairment or at fair value as part of business combination. Amortisation is charged on a straight line basis over their estimated useful lives of 5 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

(o) Contributed equity

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

(p) Earnings per share*(i) Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary share and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(q) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2014.

(s) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon

which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

As at 30 June 2014, all intangible assets have been fully impaired.

2 PARENT ENTITY INFORMATION

	2014	2013
Information relating to Acuvax Limited (the parent entity):	\$	\$
Current assets	221,516	255,195
Total assets	221,516	331,099
Current liabilities	(792,869)	(235,869)
Total liabilities	(792,869)	(235,869)
Issued capital	57,317,205	57,147,205
Accumulated losses	(60,019,868)	(59,183,285)
Share based payments reserve	2,131,310	2,131,310
Total shareholders' equity	(571,353)	95,230
Loss of the parent entity	(836,583)	(599,089)
Total comprehensive loss of the parent entity	(836,583)	(599,089)

The parent company has not entered into any guarantees, has no significant contingent liabilities, or contractual commitments for the acquisition of property, plant or equipment as at 30 June 2014.

3 SEGMENT REPORTING

During the year the consolidated entity operated in one business segment, that being research and development in Australia.

4 EXPENSES

	CONSOLIDATED	
	2014	2013
	\$	\$
(a) Professional fees		
Accounting, audit and taxation	44,910	32,450
Consulting	461,667	253,333
Legal	-	23,504
Other	17,275	7,884
Total professional fees	523,852	317,171
(b) Employee and director expenses		
Wages, salaries, consulting and other	45,833	99,863
Total employee benefits expense	45,833	99,863
(c) Other expenses		
Cost of goods sold	11,360	3,851
Investor relations	5,545	37,684
Office expenses	9,245	47,854
Travel expenses	-	7,336
Corporate expenses	111,366	145,390
Total other expenses	137,516	242,115

5 LOSS PER SHARE

Basic loss per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted loss per share computations:

	CONSOLIDATED	
	2014	2013
	\$	\$
Net loss after income tax benefit attributable to members	(852,043)	(945,648)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS and diluted EPS	2,295,771,120	2,238,749,744
Earnings per share (Cents)	(0.037)	(0.042)

At the reporting date the Company had Nil (2013: 5,000,000) options outstanding. These options have not been included in the above calculation as they are anti-dilutive.

There have been no other conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

6 CASH AND CASH EQUIVALENTS

- **Reconciliation of cash**

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	CONSOLIDATED	
	2014	2013
	\$	\$
Cash at bank	224,178	137,566

Cash at bank earns interest at floating rates based on daily bank deposit rates. Cash deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

- **Reconciliation of loss from ordinary activities after income tax to net cash flows from operating activities**

	CONSOLIDATED	
	2014	2013
	\$	\$
Loss after income tax	(859,019)	(965,711)
Non-Cash		
Amortisation of intangible assets	72,743	18,186
Foreign currency translation loss realised from derecognition of foreign operation	-	307,491
Change in assets and liabilities		
Decrease in receivables	129,191	(2,613)
Increase in inventory	13,306	(10,730)
Increase in trade and other payables	560,391	219,840
Cash out flow from operations	(83,388)	(433,537)

7 RECEIVABLES

	CONSOLIDATED	
	2014	2013
	\$	\$
Trade receivables	88,934	2,010
Less: Provision for impairment of receivable	(88,934)	-
	-	2,010
Other receivables	-	127,180
Total Receivables	-	129,190

All receivables are current and not impaired.

8 INTANGIBLE ASSETS

	CONSOLIDATED	
	2014	2013
	\$	\$
License – At cost	72,742	90,928
Accumulated amortisation	-	(18,186)
Less: Impairment of Intangibles	(72,742)	-
Net Carrying Amount	-	72,742

9 PAYABLES

	CONSOLIDATED	
	2014	2013
	\$	\$
Current		
Creditors and other payables	813,802	253,410

Creditors are unsecured, non-interest bearing and are normally subject to net 30 day terms.

10 CONTRIBUTED EQUITY

	CONSOLIDATED	
	2014	2013
	\$	\$
(a) Issued and fully paid up capital		
2,632,968,922 (2013: 2,292,968,922) ordinary shares fully paid	57,317,205	57,147,205

	2014		2013	
	Number of shares	\$	Number of shares	\$
(b) Movement in ordinary shares on issue				
Balance at the beginning of financial year	2,292,968,922	57,147,205	2,292,968,922	57,147,205
Issued during the year				
- issue of shares	340,000,000	170,000	-	-
Balance at end of financial year	2,632,968,922	57,317,205	2,292,968,922	57,147,205

(c) Terms and conditions of contributed equity

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder' meetings.

In the event of winding up the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

(d) Share options

There are no options on issue as at 30 June 2014 (2013:5,000,000)

(e) Capital Risk Management

The consolidated entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may issue new shares, pay dividends or return capital to shareholders.

The consolidated entity monitors capital with reference to the net debt position. The consolidated entity's current policy is to keep the net debt position negative, such that cash and cash equivalents exceeds debt.

11 RESERVES

	CONSOLIDATED	
	2014	2013
	\$	\$
a) Foreign currency translation		
Balance at beginning of financial year	-	(307,491)
Foreign currency translation- deconsolidation	-	307,491
Balance at end of financial year	-	-
b) Share based payments reserve		
Balance at the beginning and end of the period	2,131,310	2,131,310
Total reserves	2,131,310	2,131,310

The foreign currency translation reserve is used to record exchange differences arising from the translation of self-sustaining foreign operations. In 2013, all self-sustaining foreign operations were deregistered.

The share based payments reserve is used to record the value of options provided to directors as part of their consideration.

12 ACCUMULATED LOSSES

	CONSOLIDATED	
	2014	2013
	\$	\$
Balance at beginning of year	(59,222,353)	(58,276,705)
Net loss attributable to members of Acuvax Limited	(852,043)	(945,648)
Balance at end of financial year	(60,074,396)	(59,222,353)

13 INCOME TAX EXPENSE

The prima facie tax on loss before income tax is reconciled to income tax as follows:

	2014 \$	2013 \$
Loss before tax from continuing operations	(859,019)	(965,711)
Income tax benefit calculated at 30% (2012: 30%)	(257,706)	(289,713)
Effect of non-deductible expenditure when calculating taxable loss	33,573	97,703
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	224,133	192,010
Income tax benefit recognised in loss	-	-

	2014 \$	2013 \$
Unrecognised deferred tax balances		
tax losses – revenue	9,754,437	9,530,304
Deductible temporary differences	12,953	1,331
Total un-recognised deferred tax assets	9,767,391	9,531,635

The Company had accumulated tax losses at 30 June 2014 of \$32,514,791 (2013: \$31,767,681).

No analysis has been conducted to date as to whether the Company satisfies tests allowing it to carry forward its taxation losses. The taxation losses are only realisable if:

- (i) The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the losses and deductions to be realised;
- (ii) The Company continues to comply with the conditions for deductibility imposed by the law; and
- (iii) No changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses.

14 RELATED PARTY DISCLOSURE**Particulars in relation to controlled entities**

Controlled entities	Country of Incorporation	Financial Reporting Date	Interest held	
			2014 %	2013 %
Inqbate Pty Ltd (i)	Australia	30-Jun	100	100
Acuvax Immunology Services Pty Ltd (i)	Australia	30-Jun	75	75
Bio Health Pty Ltd	Australia	30-June	51	51

(i) Dormant**Director related entities**

During the year, the Company has paid legal fees of \$4,545.45 (2013: Nil) to Murie Lawyers, a firm of which Ian Murie is a director. The outstanding balance includes director's fees of \$36,666 (2013: \$10,000).

Other transactions with key management personnel

There were no other transactions with key management personnel during the year.

15 DIRECTOR AND EXECUTIVE DISCLOSURES**Details of Key Management Personnel****Directors**

Ian Murie	Director (Non Executive – appointed on 21st October 2010)
Roland Berzins	Director (Non Executive – appointed on 27th January 2012)
Alistair Jobling	Director (Non Executive – appointed on 16th October 2012 and resigned on 10th October 2013)
Anton Uvarov	Director (Non Executive – appointed on 10th October 2013 and resigned on 14th March 2014)
Alex Bajada	Director (Non Executive – appointment on 23rd May 2014 and resigned on 29 th August 2014)
Kevin Baum	Director (Non Executive – appointment on 29 th August 2014)

Aggregate remuneration of key management personnel

	CONSOLIDATED	
	2014 \$	2013 \$
Short-term benefits	54,500	99,863
Superannuation	-	-
Share-based payments	-	-
Total	54,500	99,863

Granted and exercisable option holdings of directors and executives

During the reporting period, no options were granted or exercised by a specified and director or executive from options previously granted as remuneration.

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's principal financial instruments comprise cash, short-term deposits and receivables.

The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial liabilities such as trade payables, which arise directly from its operations. The main market risks arising from the Group's financial instruments are interest rate risk and liquidity risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 17 to the financial statements.

Risk management

The Group's exposure to market risk, credit risk and liquidity risk and policies in regard to these risks are outlined below:

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Group does not have significant borrowings and therefore exposure to interest rate risk is minimal. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash balances with floating interest rates.

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, and receivables. The maximum exposure to credit risk at the reporting to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unnecessary losses or risking damage to the Group's reputation.

The Group's objective is to maintain adequate resources by continuously monitoring forecast and actual cash flows and maturity profiles of assets and liabilities.

Interest rate risk

The consolidated entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities at the reporting date are as follows;

Financial Instrument	Fixed Interest		Floating Interest		Non-Interest		Total	
	Rate		Rate		Bearing			
	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
(i) Financial assets								
Cash	-	-	224,178	137,556	-	-	224,178	137,556
Receivables	-	-	-	-	-	129,190	-	129,190
Total financial assets	-	-	224,178	137,556		129,190	224,178	266,746
Weighted average interest rate			3.5%	5.1%				
(ii) Financial liabilities								
Payables	-	-	-	-	813,802	253,410	813,802	253,410
Total financial liabilities	-	-	-	-	813,802	253,410	813,802	253,410

There is no significant impact of interest rate risk as cash is the only asset with interest rate exposure.

(a) Net fair values

The carrying amount approximates fair value for all financial assets and liabilities.

- Credit risk**

The consolidated entity's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the statement of financial position.

- **Foreign currency risk**

The foreign self-sustaining subsidiaries were deregistered in the current period and accordingly the company no longer has an exposure to foreign currency risk.

17 AUDITORS' REMUNERATION

	CONSOLIDATED	
	2014	2013
	\$	\$
Audits or review of the financial report of the entity and any other entity in the consolidated group	25,000	23,500

18 COMMITMENTS AND CONTINGENCIES

(i) Operating lease commitments

The Group had no future non-cancellable operating lease liabilities at 30 June 2014 (2013: nil).

(ii) Contingent liabilities

The Group had no contingent liabilities as at 30 June 2014.

19. EVENTS AFTER THE REPORTING DATE

As announced to the ASX on 22 August 2014 and 25 August 2014, pursuant to the signing of the binding heads of agreement relative to the acquisition of Activistic Pty Ltd, a General Meeting of shareholders was held on 30 July 2014, at which shareholders approved

- A placement of 340,000,00 ordinary shares issued on 27 June 2014, at an issue price of \$0.0005 per share that raised \$170,000; and
- The placement of 1,260,000,000 ordinary shares at an issue price of \$0.0005 per share that raised \$630,000.

As announced to the ASX on 26 August 2014, a result of the completion of a short form prospectus dated 19 August 2014, the Company issued another single share and raised \$0.0005 and as a result of this action, was reinstated to the ASX Official Quotation listing on that date.

Directors' Declaration

In accordance with a resolution of the directors of Acuvax Limited, I state that:

1 In the opinion of the directors:

- (a) the financial statements and notes of the company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2014 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- (c) Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

On behalf of the Board



R H Berzins
Director
26 September 2014

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ACUVAX LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of Acuvax Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation 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 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

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 Acuvax 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 Acuvax Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity'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 qualifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the company and consolidated entity incurred net losses of \$836,583 and \$859,019 respectively and the consolidated entity had cash outflows from operating activities of \$83,388 during the year ended 30 June 2014. As at that date the company and consolidated entity had net liabilities of \$571,353 and \$579,994, respectively. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the company's and consolidated entity's ability to continue as going concerns and therefore, the company and consolidated entity may be unable to realise their assets and discharge their liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report contained within 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 Acuvax Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.



RSM BIRD CAMERON PARTNERS



S C CUBITT
Partner

Perth, WA
Dated: 26 September 2014