FarmaForce Pty Limited

ACN 167 748 843

Financial Statements

For the Year Ended 30 June 2014

FarmaForce Pty Limited
ACN 167 748 843

Contents

For the Year Ended 30 June 2014

Directors' Report

30 June 2014

The directors present their report on FarmaForce Pty Limited for the financial year ended 30 June 2014.

1. **General information**

Information on directors

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

George Elias (Chairman)	Appointed 02/05/2015	
George Syrmalis	Appointed 28/01/2014	Ceased 02/04/2015
Con Tsigounis	Appointed 28/01/2014	
Daniel Morato	Appointed 07/04/2015	
Stamatia Tolia	Appointed 02/04/2015	

Principal Activities

The principal activity of FarmaForce Pty Limited during the financial year was the provision of services as a contract sales organisation.

2. **Operating results and review of operations for the year**

Operating results

The loss of the Company after providing for income tax amounted to $ (378,493).

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

3. **Other items**

Significant changes in state of affairs

This is the first year that the company has been trading.

Events after the reporting date

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

Indemnification and insurance of officers and auditors
During or since the end of the financial year, the company has entered into agreements to indemnify Directors, and incurred $12,870 in insurance premiums for Directors & Officers coverage insurance, which includes cover for this indemnification

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of FarmaForce Pty Limited.

FarmaForce Pty Limited
ACN 167 748 843

Directors' Report
30 June 2014

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2014 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: .... Director: ....

Dated this 21st day of June 2015

FarmaForce Pty Limited
ACN 167 748 843

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of FarmaForce Pty Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

Fortunity Assurance

TR Davidson
Partner

Dated: 22nd day of June 2015

155 The Entrance Road, Erina, NSW

FarmaForce Pty Limited
ACN 167 748 843

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2014

	Note	2014 $
Revenue	3	16,130
Employee benefits expense		(133,398)
Depreciation and amortisation expense		(210)
Office sharing cost		(190,315)
Other expenses		(70,700)
Profit before income tax		(378,493)
Income tax expense		-
Total comprehensive income for the year		(378,493)

The accompanying notes form part of these financial statements.

Statement of Financial Position
30 June 2014

	Note	2014 $
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	4	189,867
Trade and other receivables	5	28,678
TOTAL CURRENT ASSETS		218,545
NON-CURRENT ASSETS		
Property, plant and equipment	6	95,912
TOTAL NON-CURRENT ASSETS		95,912
TOTAL ASSETS		314,457
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	7	80,406
Financial liabilities	8	340,513
TOTAL CURRENT LIABILITIES		420,919
NON-CURRENT LIABILITIES		
Financial liabilities	8	137,543
TOTAL NON-CURRENT LIABILITIES		137,543
TOTAL LIABILITIES		558,462
NET ASSETS		(244,005)
EQUITY		
Issued capital	9	1
Convertible notes		134,487
Retained earnings		(378,493)
		(244,005)
TOTAL EQUITY		(244,005)

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 30 June 2014

2014

	Note	Share capital $	Accumulated surplus $	Balance $
Total other comprehensive income for the year		-	(378,493)	(378,493)
Shares issued during the year		1	-	1
Convertible notes		134,487	-	134,487
Balance at 30 June 2014		134,488	(378,493)	(244,005)

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Year Ended 30 June 2014

	Note	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers		6,491
Payments to suppliers and employees		(333,047)
Net cash provided by/(used in) operating activities	14	(326,556)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment		(96,121)
Net cash used by investing activities		(96,121)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares		1
Proceeds from issue of convertible notes		475,000
Increase in borrowings		137,543
Net cash used by financing activities		612,544
Net increase/(decrease) in cash and cash equivalents held		189,867
Cash and cash equivalents at end of financial year	4	189,867

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 30 June 2014

The financial report covers FarmaForce Pty Limited as an individual entity. FarmaForce Pty Limited is a for-profit proprietary Company, incorporated and domiciled in Australia.

The functional and presentation currency of FarmaForce Pty Limited is Australian dollars.

1 Basis of Preparation

These financial statements are being prepared specifically as part of the requirements for the company's proposed listing on the ASX.

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

- Taxable temporary differences arising on the initial recognition of goodwill.

- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2 Summary of Significant Accounting Policies continued

(a) Income Tax continued

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment of losses.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

2 Summary of Significant Accounting Policies continued

(c) Property, Plant and Equipment continued

Depreciation continued

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	10% to 33%
Furniture, Fixtures and Fittings	5% to 33%
Leasehold improvements	10%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(d) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

2 Summary of Significant Accounting Policies continued

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

The Company has some derivatives which are designated as financial assets at fair value through profit or loss.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of

2 Summary of Significant Accounting Policies continued

the other categories of financial assets or which have been designated in this category.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in prior period consolidated statement of profit or loss and other comprehensive income statements resulting from the impairment of debt securities are reversed through the statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Company uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

Notes to the Financial Statements
For the Year Ended 30 June 2014

2 Summary of Significant Accounting Policies continued

(e) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

3 Revenue and Other Income

Revenue

	2014 $
Sales revenue	
- provision of services	16,130
	16,130
Total Revenue	16,130

Notes to the Financial Statements
For the Year Ended 30 June 2014

4 Cash and cash equivalents

	2014
	$
Cash at bank and in hand	189,867
	189,867

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2014
	$
Cash and cash equivalents	189,867

5 Trade and other receivables

CURRENT	
Trade receivables	2,961
	2,961
Prepayments	17,519
Deposits	1,520
Other receivables	6,678
Total current trade and other receivables	28,678

6 Property, plant and equipment

PLANT AND EQUIPMENT	
Plant and equipment	
At cost	17,937
Accumulated depreciation	(152)
Total plant and equipment	17,785
Furniture, fixtures and fittings	
At cost	9,020
Accumulated depreciation	(39)
Total furniture, fixtures and fittings	8,981
Leasehold Improvements	
At cost	69,164
Accumulated amortisation	(18)
Total leasehold improvements	69,146
Total plant and equipment	95,912
Total property, plant and equipment	95,912

Notes to the Financial Statements

For the Year Ended 30 June 2014

6 Property, plant and equipment continued

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

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

Parent	Plant and Equipment $	Furniture, Fixtures and Fittings $	Improvements $	Total $
Year ended 30 June 2014				
Additions	17,937	9,020	69,164	96,121
Depreciation expense	(152)	(39)	(19)	(210)
Balance at the end of the year	17,785	8,981	69,145	95,911

7 Trade and other payables

	2014 $
CURRENT	
Unsecured liabilities	
Trade payables	89,973
Employee benefits	6,277
Other payables	(15,844)
	80,406
	80,406

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

Notes to the Financial Statements
For the Year Ended 30 June 2014

8 Borrowings

	2014 $
CURRENT	
Unsecured liabilities:	
Convertible notes	340,513
	340,513
Total current borrowings	340,513
NON-CURRENT	
Unsecured liabilities:	
Loan: iQnovate Limited	137,543
	137,543
Total non-current borrowings	137,543
Total borrowings	478,056

During the year ended 30 June 2014 the company issued 0% interest $475,000 in Convertible Notes.

The Notes are convertible to ordinary shares in the Company from the date of admission on an approved stock exchange.

The Converting Notes are compound financial instruments. The present value of the liability component at initial recognition was $340,513. The balance of $134,487 was recognised in equity.

9 Issued Capital

	2014 $
(2013:) Ordinary shares	1

10 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Company does not speculate in financial assets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Market risk - currency risk, interest rate risk and price risk
- Credit risk
- Liquidity risk

Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Trade and other payables

Objectives, policies and processes

Risk management is carried out by the Company's risk management committee under the delegated power from the Board of Directors. The Finance Manager has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the Company, these policies and procedures are then approved by the risk management committee and tabled at the board meeting following their approval.

Reports are presented at each Board meeting regarding the implementation of these policies and any risk exposure which the Risk Management Committee believes the Board should be aware of.

Specific information regarding the mitigation of each financial risk to which the Company is exposed is provided below.

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Company maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term

Notes to the Financial Statements
For the Year Ended 30 June 2014

10 Financial Risk Management continued

financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

11 Remuneration of Auditors

	2014
	$
- auditing or reviewing the financial statements	5,000

12 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2014.

13 Related Parties

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

(i) Entities exercising control over the Company:

The ultimate parent entity, which exercises control over the Company, is iQnovate Limited which is incorporated in Australia and owns 100% of FarmaForce Pty Limited.

(ii) Key management personnel:

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

(b) Transactions with related parties

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

The following transactions occurred with related parties:

	Office sharing cost	Revenue - services rendered
Parent	118,206	-
Associates	72,109	(16,130)

14 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2014 $
Profit for the year	**(378,493)**
Cash flows excluded from profit attributable to operating activities	
Non-cash flows in profit:	
- depreciation	**210**
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:	
- (increase)/decrease in trade and other receivables	**(28,678)**
- increase/(decrease) in trade and other payables	**80,405**
Cashflow from operations	**(326,556)**

15 Events Occurring After the Reporting Date

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

16 Company Details

The registered office of the company is:
FarmaForce Pty Limited
Level 3, 222 Clarence Street
Sydney, 2000, NSW

The principal places of business are:
Level 3, 222 Clarence Street
Sydney, 2000, NSW

Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2014 are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards, which, as stated in accounting policy note 2 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position and performance of the Company;

2. In the directors opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

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

Director ....

Director ....

Dated this 21st day of June 2015

FarmaForce Pty Limited
ACN 167 748 843

Independent Audit Report to the members of FarmaForce Pty Limited

Report on the Financial Report

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

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of FarmaForce Pty Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

FarmaForce Pty Limited
ACN 167 748 843

Independent Audit Report to the members of FarmaForce Pty Limited

Opinion

In our opinion the financial report of FarmaForce Pty Limited is in accordance with the *Corporations Act 2001*, including:

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

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Fortunity Assurance

TR Davidson
Partner

155 The Entrance Road, Erina, NSW

Dated this 22nd day of June, 2015