The iQ Group Global Ltd.

ABN 26 149 731 644

Annual Report for the year ended - 30 June 2021

Contents

Directors	Dr George Syrmalis, Chair and Group Chief Executive Officer Con Tsigounis Peter Simpson Peter Mercouris
Company secretary	Ron Hollands
Group Chief Executive Officer	Dr George Syrmalis
Registered office and principal place of business	Level 9, 85 Castlereagh Street Sydney NSW 2000
Share register	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000
Auditor	UHY Haines Norton Level 11, 1 York Street Sydney NSW 2000
Stock exchange listing	The iQ Group Global Ltd. shares are listed on the National Stock Exchange (NSX: IQG)
Website	www.theiqgroupglobal.com
Corporate Governance Statement	The Directors and management are committed to conducting the business of The iQ Group Global Ltd. in an ethical manner and in accordance with the highest standards of corporate governance. The iQ Group Global Ltd.'s corporate governance policies and procedures comply with Practice Note 14 issued by the National Securities Exchange of Australia (NSX). The Board of Directors has included in its corporate governance policies those matters contained in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) (ASXCGC Recommendations), where applicable. However, the Board of Directors also recognises that full adoption of the ASXCGC Recommendations may not be practical or provide the optimal result given the circumstances of The iQ Group Global Ltd. The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year, has been approved at the same time as the Annual Report and can be found at: https://iqgltd.com/investorcentre/

One more year has passed, where our fortitude is challenged as we continue to contest the societal, economic, and business impacts of the pandemic, not just in Australia, but globally. Despite the uncertainty imposed by ambiguous government policy, The Group continued to experience growth in its asset management activities, through the dedication and resilience of our staff and the belief in our mission.

During our annual conference at the beginning of the year, we aligned our plans, focusing on growth that would have compensated for the effects of the pandemic the previous year. However, many practical challenges, such as the lockdown, travel restrictions, economic uncertainty and the overall theme of insecurity for the future, made us take a more defensive and conservative position in relation to growth.

The iQ Group Global Ltd. is an asset manager of scientific intellectual property. We find, fund and develop bioscience discoveries to create life-changing medical innovations, hence we expect value to be generated from three different pathways. We do this, through our portfolio companies:

GBS Inc (32.9%)*

BioSensX (Europe) Inc (81%)*

BioSensX (North America) Inc (57%)*

Glucose Biosensor Systems (MENA) Inc (81%)*

OncoTEX Inc. (40.5%)*

*Effective equity position at the end of FY21

The following activities furnish our revenue streams:

- Revenue from commercial activities through the provision of commercialisation, research and development services to the multinational biopharmaceutical companies present in Australia.
- Revenue, from research and development activities, regulatory and market access services, medical affairs services, pharmacovigilance, and other specialised scientific services, that we provide to multinational biopharma companies.
- And now that our IP assets have matured, revenue is forecasted from out-licensing these assets to the multinational biopharma companies.

Apart from revenue for IQG, we also expect significant capital gains to be realised for IQG when we successfully sublicense our IP to these biopharma medical device companies.

The market capitalisation of the company as of the date of this report was $47.7 million.

This year, my focus was firmly on our bioscience developments, but also on mitigating the effects and risks that arose from the COVID pandemic. We had to engage in a cost-saving strategy to ensure growth, and also deal with possible delays in our research, development, and commercialisation projects. As you know the company is delivering two major projects; the biosensor diagnostic portfolio through its portfolio companies, GBS Inc and BiosensX Inc; and our Oncology Platform OncoTEX Inc:

A) The Biosensor Diagnostic platform

During the year the IQG listed its portfolio company GBS Inc. on the NASDAQ Global markets exchange, this was a herculean task for our people as we couldn't travel to conduct a face-to-face roadshow with potential institutional investors. The Group has continued to heavily invest in the research and development program of the Saliva Glucose Biosensor and the expansion of the Biosensor Diagnostic Test Portfolio.

Key operational milestones include:

- The Saliva Glucose Biosensor commercialisation program has continued to progress with the FDA regulatory approval process. The process has sustained certain delays due to COVID, however, clinical testing is expected to commence very soon. The Saliva Glucose Biosensor has been indicated by the FDA to follow the De Novo regulatory pathway as it is innovative and without predicate.

- The Group has been granted by the Wyss Institute for Biologically Inspired Engineering at Harvard University, a license to integrate the Institute's antifouling technology into The Group's biosensor and develop a quantitative salivary COVID test.
- The Group is formally collaborating with the Wyss Institute, Harvard University and Johns Hopkins University in developing the prementioned salivary quantitative IgG rapid diagnostic test. The commercial benefits stemming from this collaboration will flow to the LSBD commercial entity, GBS Inc. and subsequently to the ultimate parent which is IQG and IQX.
- The Biosensor development team has grown significantly, both here and in the USA and our research and development capability now extends beyond The Centre for Organic Electronics at The University of Newcastle to European research and development institutions.
- The Australian Federal Government granted GBS Inc. $6.3 million to create a pilot Biosensor manufacturing facility. This grant will support the establishment of an Australian high-tech medical device manufacturing facility to commence scaled production of the Printable Organic Electronic Biosensor technology.

B) Oncology Platform

Significant progress has been made with OncoTEX, the Group's oncology portfolio company, both in research and development as well as on the corporate front.

TEX Core is an anticancer drug platform that has the ability to develop a range of well-tolerated, MRI-detectable cancer therapeutics that target drug-sensitive and drug-resistant solid tumours. The first cancer therapeutic to be commercialised from the platform is OxaliTEX, a new chemical entity (WO 2015/191797) that targets only solid tumour cells, activates within the tumour and overcomes drug-resistance mechanisms with minimal side effects. OxaliTEX is currently at late preclinical stage and we will soon contemplate commencing clinical trials. Sterling Pharmaceutical have been contracted to manufacture the OxaliTEX compound for the clinical trials.

The first indication to trial is ovarian cancer, which is also classified by the FDA as an orphan disease, which may result in expedited regulatory approval by the FDA.

OncoTEX has further enriched its pipeline within the TEX Core platform, with six further compounds.

- ParpTEX utilises TEX Core's tumour-localisation to enable the effective delivery of Parp inhibitors. ParpTEX is being developed for prostate and other BRCA mutant cancers.
- GemTEX utilises TEX Core's tumour-localisation in combination with Gemcitabine's antimetabolite properties, initially to treat pancreatic and bladder cancers.
- DoxTEX utilises TEX Core's tumour-localisation in combination with Anthracyclines to treat early-stage breast cancer and small-cell lung carcinoma.
- TaxTEX utilises TEX Core's tumour-localisation in combination with Taxanes to treat Taxol resistant breast cancer, bladder cancer and prostate cancer.
- ImmunoTEX utilises TEX Core's tumour-localisation in combination with Immunotherapies to treat breast cancer, pancreatic cancer, and lung cancer.
- MangaTEX, through tumour specific localisation, allows for site-selective thermal heating of cancer cells upon irradiation by non-tissue damaging light. The initial indication MangaTEX is focused upon is breast cancer including BRCA mutant and Triple Negative.

On the corporate front, despite the pandemic restrictions, the company has continued its capitalisation program here in Australia as well as the USA and has created a stellar board of directors and scientific advisors.

The company is already looking for appropriate out-licensing partners for its most advanced asset, OxaliTEX and the indication of platinum-resistant ovarian cancer.

Given SEC (Security Exchange Commission) restrictions, I cannot further elaborate at this time as the company is undergoing a quiet period, on the capital market front. However, soon I hope to share some news with all our IQG investors.

OncoTEX and TIGG continue to work with the University of Texas at Austin and MD Anderson Cancer Centre research and development group to advance and deliver to patients both of the above technologies and the resultant drugs. The TEX

Core platform represents extremely valuable intellectual property for The iQ Group Global, as the IP portfolio consists of approximately twenty (20) patents and is expected to grow further.

I want to thank each one of you for your loyalty and patience, and I also want to thank our loyal, passionate and resilient staff for their dedication to our mission during this past year.

It's of significance to The iQ Group Global Ltd's shareholders to realise that all these acquisitions and further developments are self-funded and not of a dilutive nature to The iQ Group Global Ltd's shareholders.

Last but not least, I need to reiterate a business belief I try to practice in every acquisition we make, "you make your money when you buy not when you sell" so in simple terms; it's the acquisition price that will determine our future capital gains rather than a reliance on an appreciating or bull market to create profit.

Dr George Syrmalis
Chair and Group CEO

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of The iQ Group Global Ltd. (referred to hereafter as 'iQGG' or the 'Company' or the 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

Directors

The following persons were Directors of the Group during the whole of the financial year and up to the date of this report, unless otherwise stated:

Dr George Symalis
Con Tsigounis
Peter Simpson
Peter Mercouris (appointed on 22 March 2021)

Principal activities

During the year, the principal activity for the Group consisted of the provision of asset management services to listed and unlisted companies in the life science industry.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Operating and financial review

The Operating and Financial Review ('OFR') is provided to assist shareholders' understanding of the performance of the Group and the factors underlying the Group's results and financial position for the year ended 30 June 2021.

Key highlights this financial year include:

- Gain of $55 million on deconsolidation of GBS Inc. This was attributable to ownership dilution of GBS Inc. arising from the exercise of various warrants issued to particular shareholders of GBS Inc. since the completion of its IPO on the NASDAQ (US Exchange) in December 2020;
- Profit after tax of $7 million largely attributable to the deconsolidation of GBS Inc.; and
- Additional expenditure on development, regulatory approval preparation, patents, and staff to develop a portfolio of projects with significant progress on the diagnostic and oncology platforms.

FY21 was a challenging year with the ongoing effects of the COVID-19 pandemic. Revenue in FY21 was $12,770,039 compared to $15,448,802 in the prior corresponding period. However, the net profit after tax of the Group for the year ended 30 June 2021, was $7,014,976 (FY20: net loss after tax of $22,206,429). The significantly improved result year on year was largely attributable to the deconsolidation of GBS Inc. which occurred in the second half of the financial year.

Also contributing to the turnaround was the result of realising strategic investments in developing a virtual salesforce team in its salesforce business, Farmaforce, that could deliver optimum business operations even with the uncertainty that existed with the COVID-19 pandemic. The Group swiftly adapted to change in business operations in response to the various Australian government guidelines issued to contain the COVID-19 pandemic in Australia. The successful implementation of a virtual salesforce allowed existing customer contracts to generate consistent revenues and maintain its position in the market for FY21 despite disruption in parts of the year from the various COVID-19 restrictions imposed by the government.

The Group has continued to execute effective cost-saving initiatives during the year to add to the turnaround in the result for the financial year. The savings realised was represented by a $1,311,883 reduction in overhead sharing costs compared to the prior corresponding period. The Group intends to continue its various cost-saving initiatives into FY22. This will involve scaled operations with a focus on critical expenditure for investing in its portfolio to continue executing The Group's strategy. These initiatives place the Group on a pathway to rebound in FY22.

As a result of the loss incurred and the operating cash outflows the year ended 30 June 2021 and the liquidity at the reporting date, there is a material uncertainty on whether the Group can continue as a going concern. The Directors consider that the Group will continue as a going concern, as explained in note 2 to the financial statements.

Significant changes in the state of affairs

On 24 December 2020, the Group listed one of its subsidiaries at the time on the NASDAQ, GBS Inc. (NASDAQ: GBS). GBS Inc. ('GBS') during its pre-IPO process and at completion of the IPO issued various warrants. Since completion of the IPO, a number of warrants were exercised by GBS investors. This involved investors acquiring ordinary shares in GBS upon exercise of the warrants resulting in the dilution of Life Science Biosensor Diagnostics Pty Ltd's ('LSBD') holding in GBS (voting rights via ordinary shares).

On 5 January 2021, the exercise of these various warrants by GBS investors resulted in the Group holding a diluted interest that considered GBS to be an associate of the Group in accordance with the requirements of AASB 10 Consolidated Financial Statements.

The impact to reporting means that the financial result, and the financial position of, GBS will not be consolidated within the Group, and will be accounted as an investment in an associate. Given this position, GBS has been deconsolidated from 5 January 2021, the date on which it was determined that control (as defined within AASB 10) was lost. As at 30 June 2021, the Group holds a 40.7% ownership in GBS by way of voting rights via ordinary shares.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Refer to 'Review of operations' section above.

Environmental regulation

The Directors recognise the importance of environmental and workplace health and safety issues. The Directors are committed to compliance with all relevant laws and regulations to ensure the protection of the environment, the community and the health and safety of employees.

The operations of the Group are not subject to any particular and significant environmental regulation under the laws of the Commonwealth of Australia or any of its states or territories.

Based on results of enquiries made, the Board is not aware of any significant breaches of environmental regulations during the period covered by this report.

Information on Directors

Name:	Dr George Syrmalis
Title:	Executive Director, Group CEO and Chair
Qualifications:	M.D., PhD / Trained in Nuclear Medicine-Radiation Immunology
Experience and expertise:	Dr Syrmalis founded and led as CEO and Chair (1995-2005), the Bionuclear Group SA incorporating Antisoma SA, Bionuclear Institute of Diagnosis and Therapy SA, Bionuclear Research and Development SA, and Vitalcheck SA.
Other current directorships:	Executive Director of Farmaforce Limited and Chair and Executive Director of iQ3Corp Limited and iQX Limited.
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Remuneration and Nomination Committee and the Audit and Risk Committee.
Interests in shares:	39,216,750 ordinary shares
Interests in rights:	612,000 performance rights

Name:	Con Tsigounis
Title:	Executive Director
Qualifications:	Member of the Australian Institute of Company Directors.
Experience and expertise:	Con has over 23 years' experience in business and investor relations, specifically in the wholesale and retail sectors. As a member of the Board of The iQ Group Global Ltd. since its inception, Con has been responsible for executing the company's investor relations and capital raising strategy. His experience in shareholder relationship management gives him the necessary skill set to assist the Company attain its corporate objectives.
Other current directorships:	Non-Executive Director of Farmaforce Limited
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee.
Interests in shares:	37,488,750 ordinary shares
Interests in rights:	120,000 performance rights

Name:	Peter Simpson
Title:	Non-Executive Director
Qualifications:	Master of Pharmacy
Experience and expertise:	Peter has extensive experience in the pharmaceutical industry and has been involved in the development of pharmaceutical products for both the Australian and International markets. For eight years he was the Research and Development Manager at David Bull Laboratories and oversaw the development and approval of over 80 products in the Australian, UK and US markets.
Other current directorships:	Non-Executive Director of iQX Limited
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Remuneration and Nomination Committee and the Audit and Risk Committee.
Interests in shares:	None
Interests in rights:	None

Name:	Peter Mercouris (appointed on 22 March 2021)
Title:	Non-Executive Director
Qualifications:	Associate Diploma in Policing (Charles Sturt University), Member of the Australian Institute of Company Directors
Experience and expertise:	Peter brings to The iQ Group Global Ltd. his experience and qualifications in investigations and security which originated from a successful career with NSW Police Service. Peter has been personally acknowledged for business excellence, whilst his company has received continued recognition for Excellence in Business Services since 2010. Non-Executive Director of iQ3Corp Limited.
Other current directorships:	Non-Executive Director of iQ3Corp Limited
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	1,020,000 ordinary shares
Interests in rights:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Ron Hollands (Appointed on 3 May 2021) - Ron is a Chartered Accountant, a Registered Tax Agent and Self-Managed Superannuation Fund Auditor and holds a Certificate of Public Practice. He holds a Bachelor of Business from University of Technology, Sydney, an MBA from MGSM and a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia.

Ron has over 30 years' experience in a range of industries including professional practice, financial services and real estate. Ron is currently also the Company Secretary of Farmaforce Limited (ASX: FFC), iQX Limited (NSX: IQX), iQ3Corp Limited (ASX: IQ3), Ashley Services Group Limited (ASX: ASH) and Pure Hydrogen Corporation Limited (ASX: PH2).

Aysha Hollingdale - Appointed on 13 January 2021, resigned on 3 May 2021

Gerardo Incollingo - Resigned on 13 January 2021

Meetings of directors
The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2021, and the number of meetings attended by each Director were:

	Full Board		Remuneration and Nomination Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Dr George Syrmalis*	7	9	1	1	1	1
Con Tsigounis**	9	9	-	-	-	-
Peter Simpson*	9	9	1	1	1	1
Peter Mercouris	3	3	-	-	-	-

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

* Member of the Audit and Risk Committee and the Remuneration and Nomination Committee
** Member of the Audit and Risk Committee

Remuneration report (audited)
The remuneration report details the key management personnel ('KMP') remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and the Corporations Regulations 2001.

KMPs are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The following persons were the KMP during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name	Position	Term as KMP
Non-Executive Directors:		
Peter Simpson	Non-Executive Director	From 1 July 2020 to 30 June 2021
Peter Mercouris	Non-Executive Director	From 22 March 2021 to 30 June 2021
Executive Director:		
Dr George Syrmalis	Executive Director, Group CEO and Chair	From 1 July 2020 to 30 June 2021
Con Tsigounis	Executive Director	From 1 July 2020 to 30 June 2021

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to KMP

Principles used to determine the nature and amount of remuneration
The Board of Directors (the 'Board') has established a Remuneration and Nomination Committee ('RNC') which is currently comprised of the following members:

Name	Position
Dr George Syrmalis	Member
Peter Simpson	Chair of RNC

The key responsibility of the RNC is to assist the Board in its oversight of:
- the remuneration framework and policy for executive and employee reward;
- the determination of appropriate executive reward, including advice on structure, quantum and mix;
- the determination of achievement of performance measures included in any variable remuneration plan;
- compliance with applicable legal and regulatory requirements; and
- board size, composition and succession planning.

A full charter outlining the RNC's responsibilities is available at: https://iqgltd.com/investorcentre/

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

Non-executive directors' remuneration
The Board seeks to set non-executive directors' fees at a level that enables the Group to attract and retain non-executive directors of the highest calibre, while incurring a cost that is acceptable to shareholders.

The Constitution of the Company provides that non-executive directors, other than a Managing Director or an Executive Director, are entitled to directors' fees as determined by the Directors.

NSX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 25 November 2019, where the shareholders approved a maximum annual aggregate remuneration of $300,000 (including superannuation).

Non-executive directors' fees consist of base fees and committee fees. The payment of committee fees recognises the additional time commitment required by non-executive directors who serve on board committees. A non-executive director who also Chair's the Audit and Risk Committee ('ARC') shall be entitled to an additional fee of $5,000 (including superannuation) per annum. The Chair of the Board attends all committee meetings but does not receive any additional committee fees in addition to base fees. Non-executive directors may be reimbursed for expenses reasonably incurred in attending to the Company's affairs.

The table below sets out the non-executive directors' fees:

	Chair	Non-executive directors
Board	$45,000	$50,000
ARC	$5,000	Nil
RNC	Nil	Nil

The amounts included in the above table are inclusive of superannuation.

Executive remuneration
The Group aims to reward executives based on their position and responsibilities, with a level and mix of remuneration which has both fixed and variable components.

A. Remuneration principles and strategy

In FY 2021 the executive remuneration framework consisted of fixed remuneration and short and long-term incentives as outlined below. The Group aims to reward executives with a level and mix of remuneration appropriate to their position, responsibilities and performance within the Group and aligned with market practice. Remuneration levels are considered annually through a remuneration review, which considers market data and the performance of the Group and the individual.

B. Detail of incentive plans

Short-term incentive ('STI')
The Group operates an annual STI program available to executives and awards a cash incentive subject to the attainment of clearly defined key performance measures.

Summary of the executive STI plan:

Who participates?	Dr George Syrmalis and Con Tsigounis
How is STI delivered?	Cash
What is the STI opportunity?	Up to 25% of base salary.
What are the performance conditions?	Individual performance goals against annual plans.
How is performance assessed?	On an annual basis, after consideration of performance against key performance indicators ('KPI').

Long-term incentives ('LTI')
The Group operates an LTI program via the Employee Benefits Plan ('EBP'). under which directors and employees may be awarded options and performance rights to acquire shares of the Company. EBP awards are made annually in order to align remuneration with the creation of shareholder value over the long-term.

Summary of EBP awards:

Who participates?	All employees of the Group.
How is EBP delivered?	Entitlement to shares and performance rights.
What are the performance conditions?	Individual performance goals against annual plans.
How is performance assessed?	At the end of the relevant performance period, the Group will determine whether and to what extent the participant has satisfied the applicable performance criteria.
When does the award vest?	Awards vest after a total of three years' continual service following achievement of the applicable performance criteria.
How are awards treated on termination?	The participant must be a current employee at vesting date in order to be entitled to shares.
How are awards treated if a change of control occurs?	If a takeover bid or other offer is made to acquire some or all of the issued shares of the Group, participants will generally be entitled to request that all performance rights vest immediately, regardless of whether the relevant performance conditions have been satisfied.
Do participants receive distributions or dividends on unvested EBP awards?	Participants do not receive distributions or dividends on unvested EBP awards.

Consolidated entity performance and link to remuneration
KPIs are set annually, with a certain level of consultation with KMP. The measures are specifically tailored to the area in which each individual is involved and has a level of control over. The KPI's target areas the Group believes hold greater potential for Group expansion and profit, covering financial and non-financial as well as short-term and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last four years. This information is taken into account by the Board when setting the STI and LTI for KMP.

Use of remuneration consultants
During the financial year ended 30 June 2021, the Group did not engage remuneration consultants to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs.

Voting and comments made at the Company's 2020 Annual General Meeting ('AGM')
At the 2020 AGM, 97.49% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration
Amounts of remuneration

Details of the remuneration of KMP of the Group are set out in the following tables.

	Short-term benefits				Post-employment benefits	Long-term benefits	Share-based payments	
2021	Cash salary and fees $	Cash bonus $	Non-monetary $	Other** $	Super-annuation $	Long service leave $	Equity - settled $	Total $
Non-Executive Directors:								
Peter Simpson	36,530	-	-	-	3,470	-	-	40,000
Peter Mercouris*	10,114	-	-	-	961	-	-	11,075
Executive Directors:								
Dr George Syrmalis	737,438	-	-	54,544	22,341	57,893	128,350	1,000,566
Con Tsigounis	422,212	-	-	47,475	22,056	30,778	56,217	578,738
	1,206,294	-	-	102,019	48,828	88,671	184,567	1,630,379

* includes remuneration from the date of appointment on 22 March 2021 up to 30 June 2021.
** includes car allowance and annual leave.

	Short-term benefits				Post-employment benefits	Long-term benefits	Share-based payments	
2020	Cash salary and fees $	Cash bonus $	Non-monetary $	Other* $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:								
Peter Simpson	36,530	-	-	-	3,470	-	-	40,000
Executive Directors:								
Dr George Syrmalis	633,608	-	-	165,951	60,193	30,275	45,064	935,091
Con Tsigounis	379,524	-	-	58,515	36,055	16,367	50,000	540,461
	1,049,662	-	-	224,466	99,718	46,642	95,064	1,515,552

* This includes car allowance, annual leave and FBT.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2021	2020	2021	2020	2021	2020
Non-Executive Directors:						
Peter Simpson	100%	100%	-	-	-	-
Peter Mercouris	100%	-	-	-	-	-
Executive Directors:						
Dr George Syrmalis	87%	95%	-	-	13%	5%
Con Tsigounis	90%	91%	-	-	10%	9%

Service agreements
Remuneration arrangements for executive KMP are formalised in employment agreements. The key terms and conditions of executive employment agreements for the year ended 30 June 2021 are outlined in the table below.

Executive name:	Dr George Syrmalis	Con Tsigounis
Position:	Executive Director, Group CEO and Chair	Executive Director and Head, Investor Relations
Effective date:	1 January 2020	1 January 2020
Fixed annual remuneration: *	$659,779	$344,268
Term:	Ongoing	Ongoing
Executive notice period:	6 months	1 month
Company notice period: **	6 months	1 month
Termination payment:	Superannuation will be paid irrespective of the termination benefits cap under the Corporations Act 2001	Subject to the termination benefits cap under Corporations Act 2001

* Fixed Annual Remuneration includes base salary, plus superannuation contributions in accordance with Superannuation Guarantee legislation.

** The Company may terminate employment immediately and without notice in certain circumstances, including where the executive has committed a serious or persistent breach of their employment agreement or where the executive has been dishonest or fraudulent in the course of performing their duties.

Share-based compensation

Issue of shares
There were no shares issued to Directors and other KMP as part of compensation relating to the year ended 30 June 2021.

On 19 February 2021, 1,224,000 ordinary shares were issued to Dr George Syrmalis on the vesting of performance rights after satisfaction of the service conditions.

On 19 February 2021, 340,000 ordinary shares were issued to Con Tsigounis on the vesting of performance rights after satisfaction of the service conditions.

Options
There were no options over ordinary shares issued to Directors and other KMP as part of compensation that were outstanding as at 30 June 2021.

Performance rights
The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of Directors and other KMP in this financial year or future reporting years are as follows:

Name	Grant date	Vesting date	Number of rights granted
Dr George Syrmalis	01/03/2018	01/03/2021	153,000
Dr George Syrmalis	01/03/2019	01/03/2022	153,000
Dr George Syrmalis	01/03/2020	01/03/2023	153,000
Dr George Syrmalis	01/03/2021	01/03/2024	153,000
Con Tsigounis	01/03/2018	01/03/2021	30,000
Con Tsigounis	01/03/2019	01/03/2022	30,000
Con Tsigounis	01/03/2020	01/03/2023	30,000
Con Tsigounis	01/03/2021	01/03/2024	30,000
			732,000

Each performance right confers the entitlement to a fully paid ordinary share after three further years of employment after the first anniversary or when the shares are granted.

The value of the performance rights granted during the year ended 30 June 2021 as part of the remuneration is $73,200 (2020: $95,064).

Additional information
The earnings of the Group for the five years to 30 June 2021 are summarised below:

	2021 $	2020 $	2019 $	2018 $	2017 $
Revenue	12,770,039	15,448,802	12,604,042	4,729,026	4,670,912
Profit/(loss) after income tax	2,574,241	(19,276,316)	(12,183,043)	(14,846,246)	(9,881,006)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2021	2020	2019	2018*	2017*
Share price at financial year end ($)	0.20	0.58	0.57	0.40	0.45
Basic earnings per share (cents per share)	1.57	(11.83)	(7.53)	(9.89)	(7.61)
Diluted earnings per share (cents per share)	1.57	(11.83)	(11.83)	(9.89)	(7.61)

Additional disclosures relating to KMP

Shareholding
The number of shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Dr George Syrmalis	37,992,750	1,224,000	-	-	39,216,750
Con Tsigounis	37,148,750	340,000	-	-	37,488,750
	75,141,500	1,564,000	-	-	76,705,500

Performance rights holding
The number of performance rights over ordinary shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested and exercised	Balance at the end of the year
Performance rights over ordinary shares				
Dr George Syrmalis	1,683,000	153,000	(1,224,000)	612,000
Con Tsigounis	430,000	30,000	(340,000)	120,000
	2,113,000	183,000	(1,564,000)	732,000

	Vested and exercisable	Unvested and un-exercisable	Balance at the end of the year
Performance rights over ordinary shares			
Dr George Syrmalis	153,000	459,000	612,000
Con Tsigounis	30,000	90,000	120,000
	183,000	549,000	732,000

This concludes the remuneration report, which has been audited.

Shares under option
There were no unissued ordinary shares of The iQ Group Global Ltd. under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of The iQ Group Global Ltd. issued on the exercise of options during the year ended 30 June 2021 and up to the date of this report.

Shares under performance rights
As of the date of this report, 1,762,000 performance rights have been granted to participants as part of The iQ Group Global Ltd.'s Employee Benefits Plan. These performance rights will vest and be issued to eligible members contingent on satisfying a service condition.

Shares issued on the exercise of performance rights
There were 1,564,000 ordinary shares of The iQ Group Global Ltd. issued in relation to the exercise of performance rights up to the date of this report.

Indemnity and insurance of officers
The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 32 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 32 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of UHY Haines Norton
There are no officers of the Company who are former partners of UHY Haines Norton.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

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

On behalf of the Directors

Dr George Syrmalis
Chair

13 September 2021

UHY Haines Norton
Chartered Accountants

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Auditor's Independence Declaration
Under Section 307C of the Corporations Act 2001

To the Directors of iQ Group Global Ltd.

As lead auditor for the audit of the financial report of iQ Group Global Ltd. for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been:

(i) No contraventions of the auditor independence requirements of 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.

This declaration in relation to the iQ Group Global Ltd. and the entities it controlled during the year and as at year end.

UHY Haines Norton

Mark Nicholaeff

Partner

Sydney

Dated: 13 September 2021

UHY Haines Norton

Chartered Accountants

The iQ Group Global Ltd.
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Revenue	5	12,770,039	15,448,802
Cost of sales		(10,468,207)	(11,842,380)
Gross profit		2,301,832	3,606,422
Share of losses of associates accounted for using the equity method	16	(2,897,676)	(12,573)
Other income	6	5,964,679	849,277
Interest revenue calculated using the effective interest method		81,005	238
Expenses			
Employee benefits expense	7	(8,590,152)	(9,615,612)
Overhead sharing costs		(1,272,770)	(2,584,653)
Depreciation and amortisation expense	7	(886,521)	(794,338)
Impairment expense	7	(26,970,583)	(2,036,255)
Gain on deconsolidation	8	55,490,990	-
Consultancy fees		(512,499)	(2,687,143)
Other expenses	9	(10,749,601)	(5,295,093)
Finance costs	7	(4,943,728)	(3,636,699)
Profit/(loss) before income tax expense		7,014,976	(22,206,429)
Income tax expense	10	-	(23,032)
Profit/(loss) after income tax expense for the year		7,014,976	(22,229,461)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		45,413	41,621
Other comprehensive income for the year, net of tax		45,413	41,621
Total comprehensive income for the year		7,060,389	(22,187,840)
Profit/(loss) for the year is attributable to:			
Non-controlling interest		4,440,735	(2,953,145)
Owners of The iQ Group Global Ltd.		2,574,241	(19,276,316)
		7,014,976	(22,229,461)
Total comprehensive income for the year is attributable to:			
Non-controlling interest		4,440,735	(2,933,481)
Owners of The iQ Group Global Ltd.		2,619,654	(19,254,359)
		7,060,389	(22,187,840)
		Cents	Cents
Basic earnings per share	11	1.57	(11.83)
Diluted earnings per share	11	1.57	(11.83)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

The iQ Group Global Ltd.
Consolidated statement of financial position
As at 30 June 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Assets			
Current assets			
Cash and cash equivalents	12	696,626	1,331,382
Term deposit	13	406,328	406,328
Trade and other receivables	14	12,009,886	9,352,430
Prepayments		263,400	103,206
Total current assets		13,376,240	11,193,346
Non-current assets			
Financial assets held at amortised cost	15	1,777,936	-
Investments in associates and joint venture	16	30,685,517	523,465
Property, plant and equipment	17	146,165	224,749
Right-of-use assets	18	1,804,522	2,481,214
Intangibles	19	1,426,738	1,563,965
Other financial assets		95,770	-
Total non-current assets		35,936,648	4,793,393
Total assets		49,312,888	15,986,739
Liabilities			
Current liabilities			
Trade and other payables	20	21,114,279	12,091,026
Contract liabilities	21	55,725	78,297
Borrowings	22	20,856,429	11,572,143
Lease liabilities	23	615,625	593,560
Derivative financial instruments	24	-	1,202,837
Provision for income tax	10	-	52,758
Employee benefits	25	1,245,543	1,851,639
Total current liabilities		43,887,601	27,442,260
Non-current liabilities			
Trade and other payables	20	3,779,385	-
Borrowings	22	2,315,433	11,162,056
Lease liabilities	23	1,369,841	2,017,009
Employee benefits	25	319,566	189,709
Total non-current liabilities		7,784,225	13,368,774
Total liabilities		51,671,826	40,811,034
Net liabilities		(2,358,938)	(24,824,295)
Equity			
Contributed equity		18,251,255	41,359,943
Reserves	27	540,621	640,949
Accumulated losses		(25,751,596)	(66,777,413)
Equity attributable to the owners of The iQ Group Global Ltd.		(6,959,720)	(24,776,521)
Non-controlling interest		4,600,782	(47,774)
Total equity		(2,358,938)	(24,824,295)

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

Consolidated	Contributed equity $	Reserves $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2019	38,880,053	232,937	(47,271,185)	1,580,510	(6,577,685)
Adjustment for change in accounting policy	-	-	(229,912)	-	(229,912)
Balance at 1 July 2019 - restated	38,880,053	232,937	(47,501,097)	1,580,510	(6,807,597)
Loss after income tax expense for the year	-	-	(19,276,316)	(2,953,145)	(22,229,461)
Other comprehensive income for the year, net of tax	-	21,957	-	19,664	41,621
Total comprehensive income for the year	-	21,957	(19,276,316)	(2,933,481)	(22,187,840)
Transactions with owners in their capacity as owners:					
Contributed equity	2,631,741	-	-	1,378,953	4,010,694
Capital raising costs	(151,851)	-	-	(73,756)	(225,607)
Share-based payments	-	374,763	-	-	374,763
Other	-	11,292	-	-	11,292
Balance at 30 June 2020	41,359,943	640,949	(66,777,413)	(47,774)	(24,824,295)

Consolidated	Contributed equity $	Reserves $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2020	41,359,943	640,949	(66,777,413)	(47,774)	(24,824,295)
Profit after income tax expense for the year	-	-	2,574,241	4,440,735	7,014,976
Other comprehensive income for the year, net of tax	-	45,413	-	-	45,413
Total comprehensive income for the year	-	45,413	2,574,241	4,440,735	7,060,389
Transactions with owners in their capacity as owners:					
Contributed equity	9,898,258	-	-	23,420,283	33,318,541
Capital raising costs	(1,502,277)	-	-	(3,691,504)	(5,193,781)
Issue of shares (note 26)	73,200	(73,200)	-	-	-
Share-based payments	-	70,064	-	-	70,064
Issue of warrants - GBS Group	-	5,200,793	-	-	5,200,793
Deconsolidation of GBS Group	(31,577,869)	(5,968,886)	38,451,576	(19,520,958)	(18,616,137)
Other comprehensive income - GBS Group	-	768,093	-	-	768,093
Reversal of option reserve	-	(142,605)	-	-	(142,605)
Balance at 30 June 2021	18,251,255	540,621	(25,751,596)	4,600,782	(2,358,938)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 2021 $	Consolidated 2020 $
Cash flows from operating activities			
Receipts from customers		23,468,732	16,728,811
Payments to suppliers and employees		(23,802,132)	(32,412,696)
Proceeds from government grants		2,787,067	180,000
Interest received		5,604	238
Interest paid		(185,255)	(223,768)
Net cash from/(used in) operating activities	36	2,274,016	(15,727,415)
Cash flows from investing activities			
Payments for property, plant and equipment	17	-	(53,709)
Investment in associates		(74,970)	(74,942)
Advances to related parties		(8,337,832)	-
Repayment of loan advances from related parties		4,695,616	-
Payment for term deposit		-	(406,328)
Proceeds from disposal of property, plant and equipment		3,888	-
Net cash used in investing activities		(3,713,298)	(534,979)
Cash flows from financing activities			
Proceeds from contributed equity (preference shares - net of capital raising costs)		6,152,716	2,458,616
Proceeds from contributed equity (net of capital raising costs)		23,351,934	-
Proceeds relating to corporate bonds (net of repayments and transaction costs)		1,360,000	16,530,000
Proceeds relating to convertible notes		310,000	-
Proceeds relating to related party bonds (net of repayments and transaction costs)		963,560	-
Payments relating to lease liabilities		(519,017)	(295,955)
Repayments relating to convertible notes		-	(220,000)
Interest paid on corporate bonds		(2,226,668)	(891,626)
Interest paid on convertible notes		(240,195)	(491,012)
Interest on related party bonds		(536,746)	-
Deconsolidation of GBS Group	8	(27,811,058)	-
Net cash from financing activities		804,526	17,090,023
Net (decrease)/increase in cash and cash equivalents		(634,756)	827,629
Cash and cash equivalents at the beginning of the financial year		1,331,382	503,603
Effects of exchange rate changes on cash and cash equivalents		-	150
Cash and cash equivalents at the end of the financial year	12	696,626	1,331,382

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

Note 1. General information

The financial statements cover The iQ Group Global Ltd. as a consolidated entity consisting of The iQ Group Global Ltd. ('iQGG', or the 'Company' or the 'parent entity') and the entities it controlled (together the 'Group') at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is The iQ Group Global Ltd.'s functional and presentation currency.

The iQ Group Global Ltd. is a listed public company limited by shares, incorporated and domiciled in Australia. The Company is listed on the National Stock Exchange of Australia. Its registered office and principal place of business is:

Level 9, 85 Castlereagh Street
Sydney, NSW 2000

A description of the nature of the Group's operations and its principal activities is included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 13 September 2021. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

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

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

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

Conceptual Framework for Financial Reporting (Conceptual Framework)
The Group has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Group's financial statements.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Going concern

The Groups' business model is based upon generating returns by identifying, acquiring and developing early-stage life science IP into diagnostic or therapeutic bioscience assets. Accordingly, profits are generated by the increase in the value of the assets as they are developed and reach clinical milestones.

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

Note 2. Significant accounting policies (continued)

As disclosed in the financial statements, the Group incurred a loss after tax of $21,505,431 (excluding the $55,490,990 gain recognised on deconsolidation of GBS Inc. and impairment expenses of $26,970,583 on the Group's investment in GBS Inc.) and net cash of $2,274,016 from operating activities for the year ended 30 June 2021 (30 June 2020: loss after tax of $22,187,840 and net cash used from operating activities of $15,727,415). As at 30 June 2021 the Group had net current liabilities of $30,511,361 and net liabilities of $2,358,938 (30 June 2020: $16,248,914 and $24,824,296 respectively). The net loss, net current liability position and continued net operating losses prima facie gives rise to a material uncertainty that casts significant doubt upon the Group's ability to continue as a going concern.

Therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business at the amounts stated in the financial report. However, the Directors believe that the Group will be able to continue as a going concern, subject to successful implementation of the following mitigating factors in relation to the material uncertainty.

- The ability of the Group to realise it's investments in GBS Inc in accordance with the applicable requirements of The U.S. Securities and Exchange Commission (SEC) at values materially consistent with market value as at the date of this report;
- The ability of the Group to realise planned cost saving initiatives of circa $5 million in 12 months from the date of this report;
- The ability of the Group to achieve capital fundraising of approximately $20 million in 12 months from date of this report which the Directors believes is achievable based on the history of the capital raising (capital raised for the year ended 30 June 2021: $23.71 million, and 30 June 2020: $23.24 million);
- The ability of the Group to rollover approximately 30% (approximately $9.1 million) of their existing corporate notes and other debt instruments;
- The ability to successfully complete the initial public offering of Oncotex Inc which is expected to raise approximately $40 million; and
- The ability of the Company to enter into a payment plan with ATO and repayment of ATO liability from the above outlined fund raising measures.

Accordingly, regardless of material uncertainties, the financial report has been prepared on a going concern basis. Therefore, no adjustments have been made to the financial report relating to the recoverability and classification of the carrying amounts of assets or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Reclassification of comparatives
Comparatives have been realigned where necessary, to agree with the current year presentation. This included reclassifications within note 7, expenses (namely finance costs and employee benefit expenses), as part of realigning comparatives with the current year presentation. In these reclassifications, there was no change to the total profit/(loss), net assets/(liabilities) and the earnings per share for both periods.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 35.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of The iQ Group Global Ltd. as at 30 June 2021 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the 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 entities in the Group 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.

Note 2. Significant accounting policies (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

Foreign currency transactions
Foreign currency transactions are translated into the Company's presentation currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

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 classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 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 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Derivative financial instruments
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Note 2. Significant accounting policies (continued)

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

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 Group for the annual reporting period ended 30 June 2021. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. 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.

COVID-19 pandemic
Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

Fair value measurement hierarchy
The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Income tax
The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Investment in associates
The Directors have assessed whether their equity investments between 20% and 50% represent a significant influence over those companies. In assessing significant influence, the Directors have considered the percentage ownership interest, representation on the Board of Directors, the interchange of management personnel, and material transactions between the entities. Primarily on ownership interest, the Directors have concluded that all investments in which the Group owns 20% to 50% interest are regarded as having significant influence and have therefore been equity accounted and disclosures have been included in note 16.

Loss of control of subsidiary (GBS Inc.)
Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 4. Operating segments

Identification of reportable operating segments
The Group is organised into two operating segments: 1) contract sales and marketing services to external customers; and 2) shared services provided to related parties. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors and Chief Executive Officer (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The information reported to the CODM is on a monthly basis.

Major customers
During the year ended 30 June 2021 approximately 70% ($8,916,606)(2020: 59% ($9,056,905)) of the Group's total revenue was derived from sales to three (2020: three) major customers.

Operating segment information

The following segment information is provided to the CODM.

Consolidated	2021 $	2020 $
Revenue		
Contract sales and marketing services	11,788,307	13,988,368
Shared services	981,732	1,460,434
Total revenue	12,770,039	15,448,802
Gross profit		
Contract sales and marketing services	1,320,100	2,145,988
Shared services	981,732	1,460,434
Total gross profit	2,301,832	3,606,422

Information on segment gross profit and segment net assets is not provided to the CODM.

Geographical information
The majority of the Group's revenue is derived from Australia.

Accounting policy for operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the CODM. The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 5. Revenue

	Consolidated	
	2021 $	2020 $
Contract and service fee revenue	11,788,307	13,988,368
Office and shared services fees	981,732	1,460,434
Total revenue	12,770,039	15,448,802

Note 5. Revenue (continued)

Disaggregation of revenue

	Consolidated 2021 $	Consolidated 2020 $
Contract sales and marketing services	11,788,307	13,988,368
Shared services	981,732	1,460,434
Total revenue	12,770,039	15,448,802

Timing of revenue recognition
All revenue is recognised over a period of time.

Accounting policy for revenue
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Contract and service fee revenue
Revenue is derived from retainer fees and fees for services based on a fixed percentage. This is recognised over time as the services are rendered.

Shared services fee
Revenue is derived from services provided and is recognised over time as the services are rendered based on either a fixed price of an hourly rate.

Interest
Interest revenue is recognised as interest accrues 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.

Note 6. Other income

	Consolidated 2021 $	Consolidated 2020 $
Government grants	2,946,797	380,000
Rental charges	511,279	408,814
Other	2,506,603	60,463
Other income	5,964,679	849,277

Government grants
Amounts predominately relate to JobKeeper support payments and concessions under the 'Boosting Cash Flow for Employers' scheme. During the year, the Group received $2,733,200 (2020: $180,000) from JobKeeper support payments from the Australian Government which are passed on to eligible employees. These have been recognised as government grants in the financial statements and recorded as other income over the periods in which the related employee benefits are recognised as an expense. In addition the Group received a $200,000 (2020: $200,000) as part of its 'Boosting Cash Flow for Employers' scheme in response to the COVID-19 pandemic.

Rental recharges
During the year the Group incurred costs relating to rent and utilities at its office location. The recharge represents cost recoveries for the provision of the above services to related parties of the Group.

Other
Other mainly includes research and development tax incentives of $329,843 recognised in GBS Inc. (prior to GBS becoming an associate on 5 January 2021), a capital gain of $1,314,035 recognised in relation to the sale of GBS preference shares to an external fund, and option fee income of $652,742 recognised in relation to the issuance of an option in March 2021 to GBS to acquire an exclusive license to use LSBD's intellectual property in the Saliva Glucose Biosensor in North America (The option has a term of two years and the exercise price for the option is $5,000,000 USD).

Accounting policy for government grants
Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Accounting policy for other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Note 7. Expenses

	Consolidated 2021 $	Consolidated 2020 $
Profit/(loss) before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	11,388	7,368
Plant and equipment	49,796	58,881
Furniture, fixtures and fittings	11,418	9,944
Right-of-use assets	676,692	563,911
Total depreciation	749,294	640,104
Amortisation		
Acquired IP	119,954	119,954
Website and software	17,273	34,280
Total amortisation	137,227	154,234
Total depreciation and amortisation	886,521	794,338
Impairment expense		
Acquired IP	-	1,966,175
Website and software	-	70,080
Investment in GSB Group (note 8)	26,970,583	-
Total impairment expense	26,970,583	2,036,255
Employee benefits expense		
Wages and salaries	7,193,669	7,751,830
Superannuation contributions	515,534	626,454
Increase in liability for annual leave*	446,626	676,247
Increase in liability for long service leave*	153,159	80,975
Share-based payments	281,164	480,106
Total employee benefits expense	8,590,152	9,615,612
Finance costs		
Bank fees	27,466	30,027
Interest expense on convertible notes	275,460	1,248,240
Interest expense on corporate bonds	3,291,779	2,083,891
Interest expense - related parties	725,187	-
Interest and finance charges paid/payable on lease liabilities	175,974	178,459
Interest - Australian Tax Office	432,183	95,883
Other interest expenses	15,679	199
Total finance costs	4,943,728	3,636,699

* Increase in liability for annual leave and long service leave does not include the increase in liability for annual leave and long service leave allocated to cost of sales.

Refer to 'Reclassification of comparatives' in note 2.

Note 8. Gain on deconsolidation of GBS Group

On 24 December 2020, the Group listed one of its subsidiaries at the time on the NASDAQ, GBS Inc (NASDAQ: GBS). GBS Inc and its controlled entities ('GBS' or 'GBS Group') during its pre-IPO process and at completion of the IPO issued various warrants. Since completion of the IPO, a number of warrants were exercised by GBS investors. This involved investors acquiring ordinary shares in GBS upon exercise of the warrants resulting in the dilution of Life Science Biosensor Diagnostics Pty Ltd's ('LSBD') holding in GBS (voting rights via ordinary shares).

On 5 January 2021, the exercise of these various warrants by GBS investors resulted in the Group holding a diluted interest that considered GBS to be an associate of the Group in accordance with the requirements of AASB 10 Consolidated Financial Statements.

The impact to reporting means that the financial result, and the financial position of, GBS will not be consolidated within the Group, and will be accounted as an investment in an associate. Given this position, GBS has been deconsolidated from 5 January 2021, the date on which it was determined that control (as defined within AASB 10) was lost. Control was lost when the interest of LSBD in GBS reached 50%. As at 30 June 2021, the Group holds a 40.7% ownership (30 June 2020: 81%) in GBS by way of voting rights via ordinary shares.

Accordingly, GBS has been deconsolidated and instead recorded as an equity accounted investment from 5 January 2021. Results of GBS up to the date of control have been consolidated in the Group's statement of profit or loss and comprehensive income and statement of cash flows. Results of GBS after the date of control have been recorded within the profit or loss from equity accounted investments. Refer to note 16.

The carrying value of the GBS Group as at 5 January 2021 is set below:

	$
Assets	
Cash and cash equivalents	25,825,413
Trade and other receivables	14,071
Prepayments	768,447
Investment in associates	18,179
Total assets	26,626,110
Liabilities	
Trade and other payables	(1,897,554)
Employee liabilities	(167,766)
Total liabilities	(2,065,320)
Net assets	24,560,790

The financial results for GBS Group for period from 1 July 2020 to 5 January 2021 as consolidated in the Group's financial results:

	$
Revenue	
Revenue	-
Share of losses of associates accounted for using the equity method	(168,218)
Other income	469,040
	300,822
Expenses	
Employee benefits expense	(1,077,967)
Other expenses	(2,057,707)
Finance costs	(253,592)
Loss before income tax	(3,389,266)
Income tax	-

Note 8. Gain on deconsolidation of GBS Group (continued)

	$
Loss after income tax benefit for the period	(3,088,444)
Other comprehensive income	
Items that may be reclassified subsequently to profit or loss	
Foreign currency translation	2,392,520
Total comprehensive loss for the period	(695,924)

The cash flow result for GBS Group for the period from 1 July 2020 to 5 January 2021 as consolidated in the Group's statement of cash flows:

	$
Net cash used in operating activities	(2,605,149)
Net cash from investing activities	-
Net cash from financing activities	27,811,058
	25,205,909
Cash and cash equivalents at 1 July	620,251
Net effect of exchange rate changes on cash	(747)
Net increase in cash and cash equivalents from deconsolidated GBS Group	25,825,413

The gain on deconsolidation of the GBS Group is as follows:

	$
Deconsolidation of carrying value of GBS Group	(5,090,224)
Recycling of foreign translation reserve upon deconsolidation of GBS Group	768,093
Recognition of the fair value of the GBS Group investment in associate	59,813,121
Gain on deconsolidation of GBS Group	55,490,990

Note 9. Other expenses

	Consolidated 2021 $	Consolidated 2020 $
Accounting fees	434,402	431,064
Advertising and marketing	194,548	535,703
Legal and consulting fees	2,222,077	722,165
Insurance	138,853	144,249
Travel and accommodation	6,268	508,499
Exchange and listing fees	281,035	408,518
Occupancy costs (including outgoings)	308,889	290,472
Subscription and licenses	303,595	305,748
Recruitment	44,505	97,850
Office and administration	194,511	320,465
Research and development	515,733	751,984
IT related costs	30,577	52,597
Expected credit losses	2,691,769	98,450
Net realised foreign exchange loss	320,140	-
Loss on valuation of warrants	2,556,750	-
Other	505,949	627,329
	10,749,601	5,295,093

Note 10. Income tax

	Consolidated 2021 $	Consolidated 2020 $
Income tax (benefit)/expense		
Current tax	-	23,032
Aggregate income tax expense	-	23,032
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit/(loss) before income tax expense	7,014,976	(22,206,429)
Tax at the statutory tax rate of 26% (2020: 27.5%)	1,823,894	(6,106,768)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Income not taxable	(14,427,657)	-
Expenditure not allowable for income tax purposes	9,073,518	1,690,755
Effect of different tax rate of subsidiary	(84,214)	320,865
Write off of deferred tax liabilities previously recognised	-	(35,718)
True up adjustment	-	58,750
Deferred tax assets not brought to account	3,614,459	4,095,148
Income tax expense	-	23,032

Unrecognised deferred tax assets

Deferred tax assets were not recognised since utilisation of the tax losses against future taxable profits are not deemed probable in the foreseeable future (2021: $23,378,571, 2020: $9,834,205).

Note 10. Income tax (continued)

	Consolidated 2021 $	Consolidated 2020 $
Provision for income tax		
Provision for income tax	-	52,758

Accounting policy for income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

An income tax benefit will arise for the financial year where an income tax loss is incurred and, where permitted to do so, is carried-back against a qualifying prior period's tax payable to generate a refundable tax offset.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 11. Earnings per share

	Consolidated 2021 $	Consolidated 2020 $
Profit/(loss) after income tax	7,014,976	(22,229,461)
Non-controlling interest	(4,440,735)	2,953,145
Profit/(loss) after income tax attributable to the owners of The iQ Group Global Ltd.	2,574,241	(19,276,316)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	163,455,658	162,891,592
Weighted average number of ordinary shares used in calculating diluted earnings per share	163,455,658	162,891,592

Note 11. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	1.57	(11.83)
Diluted earnings per share	1.57	(11.83)

Accounting policy for earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of The iQ Group Global Ltd., 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 financial year.

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 shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 12. Cash and cash equivalents

	Consolidated	
	2021 $	2020 $
Current assets		
Cash at bank	696,626	1,331,382

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 13. Term deposit

	Consolidated	
	2021 $	2020 $
Current assets		
Term deposit	406,328	406,328

The term deposit represents a guarantee for the lease at Level 3, 333 George Street, Sydney, NSW 2000 and matures in November 2021.

Note 14. Trade and other receivables

	Consolidated	
	2021 $	2020 $
Current assets		
Trade receivables	1,043,612	1,635,650
Other receivables*	643,988	2,848,023
Related party receivables**	12,243,364	4,967,207
Less: Allowance for expected credit losses	(1,921,078)	(98,450)
	12,009,886	9,352,430

Note 14. Trade and other receivables (continued)

* Other receivables for the current period mainly include contract assets of $505,228. Comparative balance mainly relates to GBS offering costs of $2,715,449 that were capitalised as deferred amounts being part of the consolidated Group in FY20.

** Related party receivables mainly includes amounts with IQX Limited and its controlled entities (Receivables and the associated expected credit losses was $10,284,382 and $1,284,530 respectively) and OncoTEX Pty Ltd (Receivables and the associated expected credit losses was $1,938,687 and $636,548 respectively).

Allowance for expected credit losses

The Group has recognised a loss of $1,822,628 (2020: $98,450) in profit or loss in respect of the expected credit losses for the year ended 30 June 2021.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2021	2020	2021	2020	2021	2020
Consolidated	%	%	$	$	$	$
Not overdue	14.16%	1.11%	13,563,683	8,842,207	1,921,078	98,450
30 to 60 days overdue	-	-	366,897	253,000	-	-
60 to 90 days overdue	-	-	-	225,500	-	-
> 90 days	-	-	384	130,173	-	-
			13,930,964	9,450,880	1,921,078	98,450

Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	2021	2020
	$	$
Opening balance	98,450	13,520
Additional provisions recognised	1,822,628	98,450
Unused amounts reversed	-	(13,520)
Closing balance	1,921,078	98,450

The Group has increased its monitoring of debt recovery as there is an increased probability of delayed payment or inability to make payment due to COVID-19. As a result, the calculation of expected credit losses has been revised and rates have increased.

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30-60 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Accounting policy for contract assets

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Note 15. Financial assets held at amortised cost

	Consolidated 2021 $	Consolidated 2020 $
Non-current assets		
Related party receivables under working capital facility	2,647,077	-
Less: Allowance for expected credit losses	(869,141)	-
	1,777,936	-

Refer to note 34 for details of related party receivables under the working capital facility.

The Group has recognised a loss of $869,141 on financial assets held at amortised cost (2020: $nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2021.

Accounting policy for related party receivables
Receivables are initially recognised at fair value and subsequently measured at amortised cost, less allowance for expected credit losses. The Group has applied the simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance.

Note 16. Investments in associates and joint venture

	Consolidated 2021 $	Consolidated 2020 $
Non-current assets		
Investment in associates and joint venture	30,685,517	523,465

Interests in associates and joint venture
Interests in associates and joint ventures are accounted for using the equity method of accounting. Information relating to associates and joint ventures that are material to the Group are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest 2021 %	Ownership interest 2020 %
Associates			
New Frontier Holdings LLC	USA	20.00%	20.00%
Nereid Enterprises Pty Ltd.*	Australia	20.00%	20.00%
Nereid Enterprises LLC*	USA	20.00%	20.00%
OncoTEX Inc.	USA	40.50%	40.50%
OncoTEX Holdings Inc.**	USA	40.50%	40.50%
OncoTEX Pty Ltd.**	Australia	40.50%	40.50%
GBS Inc. (from 5 January 2021)	USA	40.66%	-
GBS (APAC) Pty Ltd (formerly Glucose Biosensor Systems (Greater China) Pty Ltd.)***	Australia	40.66%	-
GBS Operations Inc (formerly Glucose Biosensor Systems (Greater China) Inc.)***	USA	40.66%	-
Joint venture			
Ethical Bioscience Investments Fund Pty Ltd. ('EBI')	Australia	50.00%	50.00%

Note 16. Investments in associates and joint venture (continued)

* Subsidiaries of New Frontier Holdings LLC.
New Frontier Holdings LLC and its subsidiaries are referred to as 'New Frontier Group'.
** Subsidiaries of OncoTEX Inc.
OncoTEX Inc. and its subsidiaries are referred to as 'OncoTEX Group'.
*** Subsidiaries of GBS Inc.
GBS Inc. and its subsidiaries are referred to as 'GBS Group'.

Nereid Enterprises Pty Ltd. provides corporate events and promotional services to the healthcare industry and related parties of The iQ Group Global Ltd.

OncoTEX Holdings Inc. specialises in the development of oncology drugs. OncoTEX currently does capital raisings to develop its oncology drug platform.

The Group has lost control of GBS Inc., however retains significant influence. Therefore, the Group's investment in this entity is now accounted for as an investment in associate using the equity method. Refer to note 8.

Note 16. Investments in associates and joint venture (continued)

Summarised financial information of associates - New Frontier Group, OncoTEX Group and GBS Group

	New Frontier Group		OncoTEX Group		GBS Group*	GBS Group
	2021	2020	2021	2020	2021	2020
	$	$	$	$	$	$
Summarised statement of financial position						
Cash and cash equivalents	-	-	2,852	6,293	-	-
Current assets	58,754	51,175	162,173	197,759	24,217,932	-
Non-current assets	707,402	836,247	2,381,786	3,694,077	4,876,290	-
Total assets	766,156	887,422	2,546,811	3,898,129	29,094,222	-
Trade and other payables	-	-	781,713	59,951	-	-
Current liabilities	125,136	48,483	1,865,858	2,691,440	4,898,445	-
Non-current liabilities	10,478	-	830,687	717,475	4,216,677	-
Total liabilities	135,614	48,483	3,478,258	3,468,866	9,115,122	-
Net assets/(liabilities)	630,542	838,939	(931,447)	429,263	19,979,100	-
Summarised statement of profit or loss and other comprehensive income						
Revenue and other income	60,947	72,709	6	55	2,198,212	-
Expenses	(441,844)	(374,998)	(1,706,680)	(1,814,837)	(7,340,263)	-
Loss before income tax	(380,897)	(302,289)	(1,706,674)	(1,814,782)	(5,142,051)	-
Other comprehensive income	164,437	(11,113)	39,486	(47,481)	(1,080,497)	-
Total comprehensive loss	(216,460)	(313,402)	(1,667,188)	(1,862,263)	(6,222,548)	-
Reconciliation of the Group's carrying amount						
Opening carrying amount	390,549	440,697	132,916	-	59,813,121	-
Impairment expense	-	-	-	-	(26,970,583)	-
Additional investment	68,370	74,942	-	-	-	-
Other adjustments	-	-	148,820	20,399	-	-
Comprehensive (loss)/income for the period	(85,852)	(125,090)	(281,736)	112,517	(2,530,088)	-
Closing carrying amount	373,067	390,549	-	132,916	30,312,450	-

* Consolidated statement of profit or loss and other comprehensive income of the Group is for the period 6 January 2021 to 30 June 2021.

Share in OncoTEX Inc.

The Group holds an ownership interest of 40.5% in OncoTEX Inc. OncoTEX incurred a loss of $1,667,188 for the year ended 30 June 2021. The Group's 40.5% share of loss in OncoTEX of $675,211 has not been recognised as it exceeds the Group's net investment in OncoTEX. As at 30 June 2021, the Group's carrying value of in its investment in OncoTEX Group was $nil (2020: $173,852).

Note 16. Investments in associates and joint venture (continued)

Summarised financial information of joint venture - EBI

	EBI 2020 $	EBI 2021 $
Summarised statement of financial position		
Cash and cash equivalents	116	539
Current assets	7,375,450	69,248
Non-current assets	-	1,636,320
Total assets	7,375,566	1,706,107
Trade and other payables	(373,016)	(88,323)
Current financial liabilities	(6,909,689)	(1,804,146)
Non-current financial liabilities	(2,327,667)	(198,292)
Total liabilities	(9,610,372)	(2,090,761)
Net liabilities	(2,234,806)	(384,654)
Summarised statement of profit or loss and other comprehensive income		
Revenue	1,181,182	7
Expenses	(3,040,955)	(384,661)
Loss before income tax	(1,859,773)	(384,654)
Total comprehensive loss	(1,859,773)	(384,654)

Share in EBI
As at 30 June 2021, EBI incurred a loss of $1,859,773 (2020: $384,654). The Group's 50% share of loss in EBI of $929,886 (2020: $192,367) has not been recognised as it exceeds the Group's net investment in EBI. The cumulative net loss not recognised as at 30 June 2021 is $1,122,214 (2020: $192,367).

New Frontier Group, OncoTEX Group, GBS Group and EBI had no capital commitments as at 30 June 2021. There were no other contingent liabilities.

Accounting policy for associates and joint ventures
Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Note 16. Investments in associates and joint venture (continued)

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

Note 17. Property, plant and equipment

	Consolidated 2021 $	Consolidated 2020 $
Non-current assets		
Leasehold improvements - at cost	105,509	105,509
Less: Accumulated depreciation	(31,283)	(19,895)
	74,226	85,614
Plant and equipment - at cost	319,679	348,221
Less: Accumulated depreciation	(290,769)	(263,533)
	28,910	84,688
Furniture, fixtures and fittings - at cost	98,442	98,442
Less: Accumulated depreciation	(55,413)	(43,995)
	43,029	54,447
	146,165	224,749

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements $	Plant and equipment $	Furniture, fixtures and fittings $	Total $
Balance at 1 July 2019	53,274	164,320	65,624	283,218
Additions	43,500	10,209	-	53,709
Disposals	(3,792)	(30,960)	(1,233)	(35,985)
Depreciation expense	(7,368)	(58,881)	(9,944)	(76,193)
Balance at 30 June 2020	85,614	84,688	54,447	224,749
Disposals	-	(5,982)	-	(5,982)
Depreciation expense	(11,388)	(49,796)	(11,418)	(72,602)
Balance at 30 June 2021	74,226	28,910	43,029	146,165

Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Note 17. Property, plant and equipment (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	5-10 years
Plant and equipment	5-10 years
Furniture, fittings and equipment	10-20 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 18. Right-of-use assets

	Consolidated	
	2021 $	2020 $
Non-current assets		
Land and building - right-of-use	3,045,125	3,045,125
Less: Accumulated depreciation	(1,240,603)	(563,911)
	1,804,522	2,481,214

Additions to the right-of-use assets during the year were $nil.

The right-of-use asset relates to leased premises at Level 3, 333 George Street, Sydney NSW 2000.

The Group leases office equipment under agreements of less than 4 years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

For AASB 16 Lease disclosures refer to:
- note 7 for details of depreciation on right-of-use assets and interest on lease liabilities;
- note 23 for lease liabilities;
- consolidated statement of cash flow for repayment of lease liabilities.

Accounting policy for right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 19. Intangibles

	Consolidated 2021 $	Consolidated 2020 $
Non-current assets		
Acquired IP - at cost	1,871,615	1,871,615
Less: Accumulated amortisation	(469,820)	(349,866)
	1,401,795	1,521,749
Website and software - at cost	163,810	163,810
Less: Accumulated amortisation	(138,867)	(121,594)
	24,943	42,216
Development expenditure - at cost	-	1,966,175
Less: Impairment	-	(1,966,175)
	-	-
	1,426,738	1,563,965

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Acquired IP $	Website and software $	Development expenditure $	Total $
Balance at 1 July 2019	1,641,703	146,576	1,966,175	3,754,454
Impairment of assets	-	(70,080)	(1,966,175)	(2,036,255)
Amortisation expense	(119,954)	(34,280)	-	(154,234)
Balance at 30 June 2020	1,521,749	42,216	-	1,563,965
Amortisation expense	(119,954)	(17,273)	-	(137,227)
Balance at 30 June 2021	1,401,795	24,943	-	1,426,738

Accounting policy for intangible assets
Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Acquired IP
Acquired IP with a finite useful life, is not amortised until it is ready for use. Acquired IP costs are amortised on a straight-line basis over the period of their expected benefit (20 years).

Website and software
Significant costs associated with the development of the revenue generating aspects of the website, including the capacity of placing orders, are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

Note 19. Intangibles (continued)

Development expenditure
Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably.

Note 20. Trade and other payables

	Consolidated	
	2021	2020
	$	$
Current liabilities		
Trade payables	2,824,916	2,750,116
Related party payables	5,625,598	3,243,378
Sundry payables and accrued expenses	12,663,765	6,097,532
	21,114,279	12,091,026
Non-current liabilities		
Related party payables	3,779,385	-
	24,893,664	12,091,026

Refer to note 34 for details of related party payables.

At 30 June 2021, sundry payables and accrued expenses included $10,727,110 (2020: $5,764,518) in accruals and payables due to the Australian Tax Office.

Accounting policy for trade and other payables
Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 21. Contract liabilities

	Consolidated	
	2021	2020
	$	$
Current liabilities		
Contract liabilities	55,725	78,297

Accounting policy for contract liabilities
Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Note 22. Borrowings

	Consolidated 2021 $	Consolidated 2020 $
Current liabilities		
Bonds held with related parties*	5,370,770	1,022,993
Convertible notes**	-	6,170,364
Corporate bonds***	15,485,659	4,378,786
	20,856,429	11,572,143
Non-current liabilities		
Convertible notes	337,727	-
Corporate bonds***	1,977,706	11,162,056
	2,315,433	11,162,056
	23,171,862	22,734,199

Amounts disclosed are unsecured borrowings.

* Bonds held with related parties are at coupon rates of 9-18% and maturities within 12 months. Refer to note 34 for details.

** Convertible notes are at a coupon rate of 7% per annum and scheduled to mature on 31 December 2020. Convertible notes included a mandatory conversion feature into the ordinary shares of GBS Inc., formerly a controlled entity of the Group, upon completion of its Initial Public Offering ('IPO') in December 2020.

*** Corporate bonds are at coupon rates of 7-20% per annum and with maturities between 6-36 months.

Refer to note 29 for further information on financial instruments.

Accounting policy for borrowings

Convertible notes
Convertible notes are separated into liability and equity components based on the terms of the contract.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a financial liability (net of transaction costs) on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost.

The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible notes based on the allocation of proceeds to the liability and equity components on initial recognition.

Corporate bonds
Corporate bonds are recognised initially at fair value less attributable transaction costs. Subsequent borrowings are stated at amortised cost.

Note 23. Lease liabilities

	Consolidated 2021 $	Consolidated 2020 $
Current liabilities		
Lease liability	615,625	593,560
Non-current liabilities		
Lease liability	1,369,841	2,017,009
	1,985,466	2,610,569

Refer to note 29 for the maturity analysis of lease liabilities.

Accounting policy for lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 24. Derivative financial instruments

	Consolidated 2021 $	Consolidated 2020 $
Current liabilities		
Convertible note options	-	1,202,837

Refer to note 29 for further information on financial instruments.

Refer to note 30 for further information on fair value measurement.

The Group's subsidiary at the time GBS (APAC) Pty Ltd. (formerly Glucose Biosensor Systems (Greater China) Pty Ltd) ('GBS APAC') (associate under the GBS Group as at 30 June 2021), issued convertible notes with a face value of $6,816,075, scheduled to mature on 31 December 2020. Of this amount, $1,202,837 was classified as a derivative financial instrument as the notes benefit from a 15% discount on the IPO from the date of GBS APAC's (or its nominee entity's) admission on an approved stock exchange.

In December 2020, the parent of GBS APAC, GBS Inc. (nominee's entity) completed its IPO on a US Exchange (NASDAQ). The discount feature has been absorbed by GBS Inc. on the mandatory conversion of the convertible notes into ordinary shares.

Accounting policy for derivatives
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Note 24. Derivative financial instruments (continued)

Derivatives are classified as current or non-current depending on the expected period of realisation.

Note 25. Employee benefits

	Consolidated 2021 $	Consolidated 2020 $
Current liabilities		
Annual leave	1,102,622	1,151,692
Superannuation	142,921	579,032
Other	-	120,915
	1,245,543	1,851,639
Non-current liabilities		
Long service leave	319,566	189,709
	1,565,109	2,041,348

Accounting policy for employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Other long-term employee benefits
Liabilities for long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 26. Share capital

	Company 2021 Shares*	Company 2020 Shares*	Company 2021 $	Company 2020 $
Ordinary shares on issue	164,455,592	162,891,592	18,170,759	18,097,559

Movements in ordinary share capital

Details	Date	Shares	$
Balance	1 July 2019	162,891,592	18,097,559
Balance	30 June 2020	162,891,592	18,097,559
Issue of shares	19 February 2021	1,564,000	73,200
Balance	30 June 2021	164,455,592	18,170,759

* The share capital relates to the parent Company, The iQ Group Global Ltd., therefore does not agree directly to the statement of financial position.

Note 26. Share capital (continued)

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
Management control the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and to ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

The capital risk management policy remains unchanged from the 2020 Annual Report.

Note 27. Reserves

	Consolidated	
	2021 $	2020 $
Foreign currency reserve	87,035	41,622
Share-based payments reserve	453,586	456,722
Options reserve	-	142,605
	540,621	640,949

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration.

Warrants reserve
The reserve was used to recognise the value of the outstanding warrants issued to shareholders of GBS Inc. (NASDAQ: GBS), a controlled entity of the Group listed on the NASDAQ. The warrants were issued during the financial year at completion of GBS Inc.'s IPO on 24 December 2020 and reversed on deconsolidation of GBS Inc. on 5 January 2021.

Note 27. Reserves (continued)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Subscriptions for equity $	Foreign currency $	Share-based payments $	Options $	Warrants $	Total $
Balance at 1 July 2019	45,236	(36,863)	81,959	142,605	-	232,937
Foreign currency translation	-	21,957	-	-	-	21,957
Share-based payments	-	-	374,763	-	-	374,763
Movement between equity reserve classes	(45,236)	45,236	-	-	-	-
Other	-	11,292	-	-	-	11,292
Balance at 30 June 2020	-	41,622	456,722	142,605	-	640,949
Foreign currency translation for the period ended 5 January 2021 - GBS Group	-	768,093	-	-	-	768,093
Issue of warrants - GSB Group	-	-	-	-	5,200,793	5,200,793
Reversal on deconsolidation of the GBS Group	-	(768,093)	-	-	(5,200,793)	(5,968,886)
Foreign currency translation	-	45,413	-	-	-	45,413
Share-based payments	-	-	70,064	-	-	70,064
Issue of shares	-	-	(73,200)	-	-	(73,200)
Reversal of option reserve	-	-	-	(142,605)	-	(142,605)
Balance at 30 June 2021	-	87,035	453,586	-	-	540,621

Note 28. Dividends

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Accounting policy for dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Note 29. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group's policy is not to trade in or use derivatives to hedge its risks.

The Group's Board of Directors (the 'Board') has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Audit and Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports to the Board on its activities.

The Group's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all workplace participants understand their roles and obligations.

Note 29. Financial instruments (continued)

The Board has also established a Committee, consisting of senior executives of the Group, which meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Committee's overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. The Committee operates under policies approved by the Board.

Market risk

Foreign currency risk
Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

The Group’s exposure to foreign currency risk is limited due to the natural hedge afforded to the Group by predominately purchasing and selling in local currency in all countries in which it operates. The deconsolidation of GBS Inc. a US entity further minimises this risk for the consolidated Group. The Group does not hold any foreign currency contracts.

Price risk
The Group is not exposed to any significant price risk.

Interest rate risk
Interest rate risk arises from borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. At the reporting date, the Group had no variable interest rate borrowings.

At the reporting date, the Group had fixed rate bonds with related parties, fixed rate bonds and receivables under working capital facilities with related parties, convertible notes and corporate bonds.

Cash at bank earns interest at floating rates based on daily bank deposit rates.

No sensitivity analysis has been performed since interest rate risk is considered to be immaterial.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due.

Trade and other receivables that are overdue are considered to be of high credit quality. Refer to note 14 for aging of trade and other receivables.

The Group held cash and cash equivalents of $696,626 at 30 June 2021 (2020: $1,331,382). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- to AA+, based on rating agency Standard and Poor’s ratings.

Liquidity risk
Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

Note 29. Financial instruments (continued)

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid.

Consolidated - 2021	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	10,387,169	1,126,865	2,652,520	-	14,166,554
Interest-bearing						
Convertible notes	9.00%	-	337,727	-	-	337,727
Related party bonds	16.20%	5,370,770	-	-	-	5,370,770
Corporate bonds	14.20%	15,485,659	1,977,706	-	-	17,463,365
Payable to ATO	7.06%	10,727,110	-	-	-	10,727,110
Lease liability	7.50%	615,625	803,587	566,254	-	1,985,466
Total non-derivatives		42,586,333	4,245,885	3,218,774	-	50,050,992

Consolidated - 2020	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	6,326,508	-	-	-	6,326,508
Interest-bearing						
Convertible notes	7.00%	6,170,364	-	-	-	6,170,364
Related party bond	9.00%	1,022,993	-	-	-	1,022,993
Corporate bonds	9.32%	4,378,786	11,162,056	-	-	15,540,842
Payable to ATO	8.08%	5,764,518	-	-	-	5,764,518
Lease liability	7.50%	593,560	678,716	1,338,293	-	2,610,569
Total non-derivatives		24,256,729	11,840,772	1,338,293	-	37,435,794

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 30. Fair value measurement

Fair value hierarchy
The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2021	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Derivative convertible note options	-	-	-	-
Total liabilities	-	-	-	-

Consolidated - 2020	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Derivative convertible note options	-	-	1,202,837	1,202,837
Total liabilities	-	-	1,202,837	1,202,837

There were no transfers between levels during the financial year.

Valuation techniques for fair value measurements categorised within level 2 and level 3
The derivative convertible note options were revalued on 30 June 2020 based on internal assessments performed by management.

The valuation technique of the $nil (2020: $1,202,837) derivative component of the convertible notes has been calculated taking into account the 15% IPO price discount on the current face value of the notes (2021: $nil, 2020: $6,816,075).

Accounting policy for fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques used to measure fair value are those that are appropriate in the circumstances and which maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 31. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated 2021 $	Consolidated 2020 $
Short-term employee benefits	1,308,313	1,274,128
Post-employment benefits	137,499	146,360
Share-based payments	184,567	95,064
	1,630,379	1,515,552

Note 32. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by UHY Haines Norton (previous auditor: BDO Audit Pty Ltd.), the auditor of the Company, and unrelated firms:

	Consolidated 2021 $	Consolidated 2020 $
Audit services - UHY Haines Norton (2020: BDO and related network firms)*		
Audit or review of the financial statements	72,000	362,500
Other services - UHY Haines Norton (2020: BDO and related network firms)*		
Taxation services	29,975	32,490
Other assurance services	-	20,300
	29,975	52,790
	101,975	415,290

* The BDO entity performing the audit of the Group transitioned from BDO East Coast Partnership to BDO Audit Pty Ltd. on 1 August 2020. The disclosures include amounts received or due and receivable by BDO East Coast Partnership, BDO Audit Pty Ltd. and their respective related entities.

Note 33. Contingent liabilities

Contingent liabilities

As at 30 June 2021, the Group is defending proceedings brought by Disrupt Group Holding Pty Ltd ('Disrupt') in the Supreme Court of New South Wales ('Court'). Disrupt alleges that members of the IQ Group Global breached obligations of confidence in executing a transaction with University of Newcastle dating back to 2016. The information usually required by AASB 137 Provisions, Contingent Liabilities and Contingent Assets is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the proceedings. The Directors believe that the proceeding is unmeritorious and are currently defending this in Court.

The Group had no contingent liabilities as at 30 June 2020.

Contingent assets

The Group had no contingent assets as at 30 June 2021 and 30 June 2020.

Note 34. Related party transactions

Parent entity

The iQ Group Global Ltd. is the parent entity and ultimate controlling entity of the Group.

Note 34. Related party transactions (continued)

The Group transacted with the following related companies.

Related party	Relationship
iQX Limited and controlled entities	Common directorship and key management personnel
iQ3Corp Limited and controlled entities	Common directorship and key management personnel
New Frontier Holdings LLC	An associate with common directorship and key management personnel
Nereid Enterprises Pty Ltd.	An associate with common directorship and key management personnel
Nereid Enterprises LLC	An associate with common directorship and key management personnel
OncoTEX Holdings Inc.	An associate with common directorship and key management personnel
OncoTEX Pty Ltd.	An associate with common directorship and key management personnel
OncoTEX Inc.	An associate with common directorship and key management personnel
Ethical Bioscience Investments Fund Pty Ltd. ('EBI')*	Joint venture
GBS Inc.	Associate (from 5 January 2021) Refer to note 8.

* The Group has a 50% interest in EBI. EBI offers various fixed term debt instruments for investors looking to invest across the global bioscience sector. This is a joint venture with the iQX Limited, a related party of the Group.

Subsidiaries
Interests in subsidiaries are set out in note 37.

Associates
Interests in associates are set out in note 16.

Key management personnel
Disclosures relating to key management personnel are set out in note 31 and the remuneration report included in the Directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2021 $	2020 $
Revenue:		
Shared services fees received from related parties	981,732	1,460,434
Other income:		
Rental recharges	511,279	408,814
Interest income from related parties	75,412	-
Office sharing costs rent waiver from related parties	63,080	-
Option fee income from related parties	652,742	-
Expenses:		
Consulting fees paid to related parties	512,499	2,687,143
Overhead sharing costs with related parties	1,272,770	2,584,653
IP procurement pass through expenses	-	247,331
Interest expenses with related parties	725,187	-

Note 34. Related party transactions (continued)

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 2021 $	Consolidated 2020 $
Current receivables:		
Related party receivables*	12,243,364	4,967,207
Current payables:		
Related party payables**	5,625,598	3,243,378
Non-current payables:		
Related party payables***	3,779,385	-

* Related party receivables (before expected credit losses) for the current period include amounts receivable from iQX Limited and its controlled entities of $10,284,382 (2020: payable of $2,598,697) and OncoTEX Pty Ltd. of $1,938,687 (2020: $2,265,263).

** Related party payables for the current period include amounts payable to iQ3Corp Limited of $3,337,965 (2020: $1,716,839) and current payables of $2,253,731 relating to the current portion of prepaid research and development contributions from GBS (associate of the Group).

*** Related party payables for the current period includes payables of $1,126,865 relating to the non-current portion of prepaid research and development contributions from GBS (associate of the Group), and $2,652,520 payables to GBS relating to the purchase of 3,000,000 GBS warrants (3,000,000 non-transferrable warrants to acquire 3,000,000 ordinary shares in GBS, at an exercise price of $17 USD with a term of 5 years).

Loans to/from related parties
The following balances are outstanding at the reporting date in relation other receivables from related parties:

	Consolidated 2021 $	Consolidated 2020 $
Non-current receivables:		
Related party receivables under working capital facility (before expected credit losses) (i)	2,647,077	-
Current borrowings:		
Bonds with related entities (ii)	5,370,770	1,022,993

Related party receivables under working capital facility (i)
On 1 January 2021, the Group entered into a working capital facility arrangement with related party iQ3Corp Limited. The working capital facility limit is $3,000,000, with an interest rate of 9% p.a., expiring on 30 June 2023. As at 30 June 2021, $2,647,077 (including $75,353 interest) is receivable from iQ3Corp Limited.

Bonds with related entities (ii)
Bonds held with related party iQX Limited with a coupon rate of 9% per annum and matures in June 2022. Bonds as at 30 June 2021 were $1,097,707, which includes interest accrued and capitalised of $221,288 (30 June 2020: $1,022,993 which includes interest accrued and capitalised of $146,575). These were extended for another 12 months from the initial maturity in June 2021.

Note 34. Related party transactions (continued)

The Group also entered into the following bond facility agreements:
- On 1 August 2020, bond facility agreement of $1.5 million with EBI. As at year end approximately $1.4 million of the facility has been utilised. The facility has an interest rate of 18% p.a. and expires on 1 August 2021. On expiry it was agreed with EBI that the funds under the facility will be rolled over on a monthly basis;
- On 1 August 2020, bond facility agreement of approximately $2.4 million with EBI. As at year end approximately $2.4 million of the facility has been utilised. The facility has an interest rate of 18% p.a. and expires on 1 August 2021. On expiry it was agreed with EBI that the funds under the facility will be rolled over on a monthly basis; and
- On 1 November 2020, bond facility agreement of approximately $4.2 million with EBI. As at year end approximately $0.3 million of the facility has been utilised. The facility an interest rate of 18% p.a. and expires on 31 October 2021. On expiry it was agreed with EBI that the funds under the facility will be rolled over on a monthly basis.

Note 35. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2021 $	2020 $
Loss after income tax	(13,946,811)	(9,291,903)
Other comprehensive income for the year, net of tax	-	28,894
Total comprehensive loss	(13,946,811)	(9,263,009)

Statement of financial position

	Parent	
	2021 $	2020 $
Total current assets	5,237,644	15,327,637
Total non-current assets	2,119,956	501,293
Total assets	7,357,600	15,828,930
Total current liabilities	23,137,512	8,627,411
Total non-current liabilities	2,186,434	11,351,765
Total liabilities	25,323,946	19,979,176
Net liabilities	(17,966,346)	(4,150,246)
Equity		
Share capital	18,404,306	18,331,106
Reserves	530,862	473,351
Accumulated losses	(36,901,514)	(22,954,703)
Total equity	(17,966,346)	(4,150,246)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 or 30 June 2020.

Note 35. Parent entity information (continued)

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 36. Cash flow information

Reconciliation of profit/(loss) after income tax to net cash from/(used in) operating activities

	Consolidated	
	2021 $	2020 $
Profit/(loss) after income tax expense for the year	7,014,976	(22,229,461)
Adjustments for:		
Depreciation and amortisation	886,521	794,338
Impairment	26,970,583	2,036,255
Expected credit losses	2,691,769	98,450
Gain on deconsolidation of GBS Group	(55,490,990)	-
Income on partial disposal of the subsidiary	-	(102,024)
Share of losses of associates accounted for using the equity method	2,897,676	12,573
Share-based payments	281,164	480,106
Share subscription classified from other payables to equity	-	327,845
Net fair value loss on financial assets	2,556,750	-
Unwinding of lease liability under AASB 16	175,974	178,459
Provision for long service leave	153,159	80,975
Non-cash finance costs	1,517,804	1,287,454
Other non-cash items	49,671	(93,360)
Change in operating assets and liabilities:		
Increase in trade, other receivables and financial assets	(6,089,956)	(4,995,172)
Decrease in deferred tax assets	-	35,717
Decrease/(increase) in prepayments	(160,195)	71,199
Increase in trade and other payables	10,163,492	5,751,267
Decrease in contract liabilities	(22,572)	(304,529)
Increase/(decrease) in employee benefits	(606,096)	842,493
Increase in borrowings	9,284,286	-
Net cash from/(used in) operating activities	2,274,016	(15,727,415)

Note 37. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2021 %	Ownership interest 2020 %
Life Science Enterprises (No.1) Pty Ltd.	Australia	100.00%	100.00%
Life Science Enterprises (No.2) Pty Ltd.	Australia	100.00%	100.00%
Life Science Enterprises (No.3) Pty Ltd.	Australia	100.00%	100.00%
Life Science Enterprises (No.4) Pty Ltd.	Australia	100.00%	100.00%
Life Science Enterprises (No.5) Pty Ltd.	Australia	100.00%	100.00%
Life Science Biosensor Diagnostics Pty Ltd.	Australia	81.00%	81.00%
Bio-vital Sensor Pty Ltd.	Australia	81.00%	81.00%
Oracle Health Analytics Pty Ltd.	Australia	81.00%	81.00%
Bio Diagnostics Investments Pty Ltd.	Australia	81.00%	81.00%
Bio Diagnostics America Pty Ltd.	Australia	81.00%	81.00%
Bio Diagnostics Europe Pty Ltd.	Australia	81.00%	81.00%
BioSensX (North America) Inc.	USA	81.00%	81.00%
BioSensX (North America) Pty Ltd.	Australia	81.00%	81.00%
Bio Diagnostics India Pty Ltd.	Australia	81.00%	81.00%
Bio Diagnostics MENA Pty Ltd.	Australia	81.00%	81.00%
Glucose Biosensor Systems (MENA) Pty Ltd.	Australia	81.00%	81.00%
GBS Inc.*	USA	-	81.00%
GBS (APAC) Pty Ltd (formerly Glucose Biosensor Systems (Greater China) Pty Ltd.)**	Australia	-	81.00%
GBS Operations Inc (formerly Glucose Biosensor Systems (Greater China) Inc.)**	USA	-	81.00%
Farmaforce Limited	Australia	68.82%	69.89%
Antisoma Therapeutics Pty Ltd.	Australia	100.00%	100.00%
Antisoma Therapeutics (No.2) Pty Ltd.	Australia	100.00%	100.00%
Antisoma Therapeutics (No.3) Pty Ltd.	Australia	100.00%	100.00%
Antisoma Therapeutics (No.4) Pty Ltd.	Australia	100.00%	100.00%
Antisoma Therapeutics (No.5) Pty Ltd.	Australia	100.00%	100.00%
Clinical Research Corporation Pty Ltd.	Australia	100.00%	100.00%

Percentage shown is net of non-controlling interest.

* accounted as investment in associate from 5 January 2021. Refer to note 8.
** subsidiaries of GBS Inc.

Note 38. Share-based payments

Performance rights
For the year ended 30 June 2021, the Group has recognised $281,164 (2020: $480,106) in share-based payment expenses. Within the total expense recognised for the current year, $171,301 relates to a bonus issue of shares to Farmaforce directors by Farmaforce Limited (a subsidiary of the Group). The remaining expense relates to share based payment expenses under the employee benefit plan.

Accounting policy for share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, options or performance rights over shares, that are provided to employees in exchange for the rendering of services.

Note 38. Share-based payments (continued)

These compensation benefits are provided to employees via the Employee Benefits Plan ('EBP'), unless otherwise stated. Under the EBP directors and employees may be awarded options and performance rights to acquire shares of the Company. The object of the EBP is to help the Group recruit, reward, retain and motivate its directors and employees. Further under the EBP, after 12 months of service an employee will annually receive a lot of shares based on an agreed quantity per their individual employment contract. The shares granted under the EBP will vest after an employee has served a further 3 years after receiving rights to the shares.

The fair value of equity-settled share-based payments is recognised as an expense proportionally over the vesting period with a corresponding increase in equity. The fair value of instruments is calculated under the grant date model where the Group measures the fair value of a share-based payment award issued to an employee on the grant date and recognised over the period during which the employees become unconditionally entitled to shares.

The fair value is calculated at grant date as the fair value of each share granted multiplied by the number of shares expected to eventually vest. There is a service condition (non-market vesting condition) which is taken into account by adjusting the number of shares which will eventually vest and are not taken into account in the determination of the grant date fair value.

Note 39. Events after the reporting period

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable on the basis of successful outcome of the measures identified in note 2 of the financial statements.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Dr George Syrmalis
Chair

13 September 2021

UHY Haines Norton
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

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To the Members of iQ Group Global Ltd.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of iQ Group Global Ltd. (the Company) and the entities it controlled (the Group) for the year-ended 30 June 2021, which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the financial report, which discloses the Group's financial circumstances, including net current liabilities of $30,511,361 (including ATO liabilities of $10,727,110) and net losses for the year of $21,505,431 excluding the impact of the one off gain on deconsolidation of GBS Inc and impairment loss in relation to the Group's GBS Inc holdings.

As a result, the Group is dependent on its ability to generate sufficient positive cash flows from its operations to covers its existing debts and to support its business operations and the successful listing of Oncotex Inc. These conditions, along with other matters set forth in Note 2 of the Financial Report, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

DE-CONSOLIDATION OF SUBSIDIARY

Why a key audit matter	How our audit addressed the risk
AASB 9 requires entities to value certain financial assets at fair value. This can involve significant judgement and estimation uncertainty, particularly for investments classed as level 2 or level 3 in the fair value hierarchy. We considered the valuation of financial assets to be a significant risk area due to the materiality of the balance to the financial statements as a whole. Refer to Note 8 of the financial report.	We performed the following audit procedures, amongst others: • We assessed the appropriateness of the Group's loss of control analysis, with reference to the requirements of relevant Australian Accounting Standards • We agreed key inputs from management's calculation of gain on deconsolidation to supporting documentation • We recalculated an expected calculation of gain on deconsolidation and compared it to management's calculation • We also assessed the reasonability and completeness of the group's disclosures against the requirements of Australian Accounting Standards.

VALUATION OF INVESTMENTS IN ASSOCIATES

Why a key audit matter	How our audit addressed the risk
AASB 128 requires investments in associates to be accounted for using the equity method of accounting. The standard also requires entities to assess these investments for impairment where indicators of impairment exist. Following the de-consolidation of GBS Inc during the period, IQGG records a significant associate investment on its consolidated balance sheet. We considered this a significant risk area due to the materiality of the balance to the financial statements as a	We performed the following audit procedures, amongst others: • We reconciled associate investments to supporting documentation • We assessed whether the classification of associate investments appeared appropriate • We assessed whether the movements in balances during the period appeared reasonable, and agreed material movements to supporting documentation • We assessed whether indicators of impairment existed for associate investments held at period end.

whole. Refer to Note 16 of the financial report.	• Where applicable, we assessed whether investments were held at the lower of their recoverable amount and carrying amount. • We also assessed the reasonability and completeness of the group's disclosures against the requirements of Australian Accounting Standards.

REVENUE RECOGNITION

Why a key audit matter	How our audit addressed the risk
AASB 15 requires entities to record revenue is accordance with the delivery of performance obligations to customers. This can involve significant judgement when contracts involve variable consideration, discounts, amongst other matters. We considered this a key audit matter due to the materiality of the balance to the financial statements as a whole, as well as the inherent risk of fraud presumed under Australian Auditing Standards.	We performed the following audit procedures, amongst others: • We assessed the appropriateness of the company's revenue recognition policies, including changes from prior periods. • We agreed key contractual details per the client's schedule to supporting documentation, including underlying contracts and bank statements. • We performed substantive analytical procedures over contract revenue balances. • We also assessed the reasonability and completeness of the company's disclosures against the requirements of Australian Accounting Standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 15 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of iQ Group Global Ltd. for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Group 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.

M Nicholaeff

UHY Haines Norton

Mark Nicholaeff
Partner
Sydney
13 September 2021

UHY Haines Norton
Chartered Accountants

The shareholder information set out below was applicable as at 3 September 2021.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	8	-
1,001 to 5,000	6	0.01
5,001 to 10,000	167	0.71
10,001 to 100,000	176	5.13
100,001 and over	201	94.15
	558	100.00
Holding less than a marketable parcel	10	0.0036

The number of shareholders holding less than a marketable parcel of ordinary shares is based on iQ Group Global Limited's closing share price of $0.29 on 3 September 2021.

Equity security holders

Ten largest quoted equity security holders

The names of ten largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Con Tsigounis Pty Ltd (Con Tsigounis Family A/C)	37,148,750	22.59
Biotechnology Holdings Pty Ltd (Biotechnology A/C)	36,047,796	21.92
Anthony Tsigounis Pty Ltd (Anthony Tsigounis Family A/C)	2,980,000	1.81
Mr Terence Rego & Mrs Carina Rego	1,850,000	1.12
Priority One Group Pty Ltd (The Utopia Investment A/C)	1,612,903	0.98
Steven & Patricia Chambers Partnership	1,612,903	0.98
Mr John Franze & Mrs Soula Franze	1,508,360	0.92
Jag Future Fund Pty Ltd (Jag Future Fund A/C)	1,423,489	0.87
Mr Anthony Kousoulis & Mrs Angela Kousoulis (Kastanlika Super Fund A/C)	1,320,000	0.80
Ju Ye Tian Cheng Holdings Pty Ltd (Ju Ye Tian Cheng Family A/C)	1,315,790	0.80
	86,819,991	52.79

Unquoted equity securities

	Number on issue	Number of holders
Performance rights over ordinary shares issued	1,762,000	15

Substantial holders

	Ordinary shares	
	Number held	% of total shares issued
Con Tsigounis Pty Ltd	37,148,750	22.59
Biotechnology Holdings Pty Ltd	36,047,796	21.92
	73,196,546	44.51

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

On-market buy-back

There is no current on market buy-back.

There are no other classes of equity securities.

Restricted securities and securities subject to voluntary escrow

There are no restricted securities and securities subject to voluntary escrow on 3 September 2021.