MYFIZIQ LIMITED

ACN 602 111 115

FINANCIAL STATEMENTS

FOR THE PERIOD FROM
FROM 1 OCTOBER 2014 TO 30 JUNE 2015

Corporate Directory

Directors
Peter Wall (Non-Executive Chairman)
Katherine Iscoe (Executive Director and CEO)
Evan Cross (Executive Director – Finance)
Cyril Donnelly (Non-Executive Director)

Company Secretary
Kevin Hart

Registered Office
Suite 8, 7 The Esplanade
Mt Pleasant WA 6153
Telephone : +61 8 9316 9100
Facsimile : + 61 8 9315 5475

Principal Place of Business
Unit 5, 71-73 The Esplanade
South Perth WA 6151

Auditors
HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

Share Registry
Automic Registry Services
PO Box 223
West Perth WA 6872
Telephone : +61 8 9324 2099
Facsimile : +61 8 9321 2337

ASX Code
MYQ

Website and email addresses
www.myfiziq.com.au
admin@myfiziq.com

Securities Exchange Listing
The Company's shares are quoted on the Australian Securities Exchange. The home exchange is Perth, Western Australia.

Company Information
The Company was incorporated and registered under the Corporations Act 2001 in Western Australia on 1 October 2014 and became a public company on 12 June 2015.
The Company is domiciled in Australia.

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The Directors present the financial statements of MyFiziq Limited (formerly MyFiziq Pty Ltd, Shrinkme Pty Ltd) ("MyFiziq" or "the Company") for the period from 1 October 2014 to 30 June 2015. The Company became a public company on 12 June 2015, and was admitted to the official list of the Australian Securities Exchange Limited on 12 August 2015.

In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The following persons were directors of MyFiziq during or since the end of the period and up to the date of this report, and were in office for this entire period unless stated otherwise:

Mr Peter Wall - B.Com, LLB, M. App. Fin

(Non-Executive Chairman – Appointed 25 May 2015)

Mr Wall is a partner at the law firm of Steinepreis Paganin, specialising in corporate finance, mergers and acquisitions, corporate reconstruction and recapitalisations of listed entities. Mr Wall has advised on numerous successful IPOs and back door listings on ASX. Mr Wall is Chairman of ASX listed companies Aziana Ltd, Galicia Energy Corporation Ltd, Global Metals Exploration Ltd, Activistic Limited and Minbos Resources Limited and Non Executive Director of Dourado Resources Ltd.

Other than as stated above Mr Wall has not served as a director of any other listed companies, in the 3 years immediately before the end of the 2015 financial period.

Dr Katherine Iscoe - B.A, MSc, PhD

(Executive Director and CEO – Appointed 1 October 2014)

Dr Katherine Iscoe is the co-founder of MyFiziq and the Dr Katherine brand. She holds numerous scholarships and awards and has completed a Bachelor of Arts in Kinesiology, Masters of Science in Exercise Physiology and Health Sciences and a Doctorate in Exercise Physiology and Biochemistry. Dr Iscoe has been published in several international peer-reviewed journals, literature as well as mainstream media. She has also been a guest speaker on various health based television shows and news programs.

Prior to founding MyFiziq, Dr Iscoe ran her own consulting company, "Deliciously Fitt", which provided nutritional and wellbeing advice to clients concerned about weight control, body image and physical wellbeing.

In additional to her formal qualifications, Dr Iscoe has owned and operated her own restaurant and catering business. These skills will assist in the development of online meal programs and cookbooks as part of the product extensions to the MyFiziq App.

Other than as stated above Dr Iscoe has not served as a director of any other listed companies, in the 3 years immediately before the end of the 2015 financial period.

Mr Evan Cross - CA, FAICD

(Executive Director – Finance – Appointed 1 October 2014)

Mr Cross has been a member of the Institute of Chartered Accountants for over 30 years, and is a Fellow of the Australian Institute of Company Directors. Mr Cross has extensive corporate finance experience in investment banking both in Australia and the US and has held key finance or executive director roles in a number of private and ASX-listed companies in a wide range of industries including technology, healthcare, mining and the food and beverage industries.

In the 3 years immediately before the end of 2015 financial period, Mr Cross has served as a non-executive director of Sun Biomedical Limited (resigned 3 July 2015) and as non-executive chairman of ISS Group Limited (resigned 6 August 2013).

Directors (continued)

Dr Cyril Donnelly - MSc., PhD

(Non -Executive Director – Appointed 25 May 2015)

Dr Donnelly is a Lecturer of Biomechanics, within the School of Sport Science, Exercise and Health at the University of Western Australia. Dr Donnelly's research is focused on unravelling the principles and mechanics of human movement and how they relate to best-practice injury prediction and injury-prevention prescription. With the vast majority of his published works among the top quartile of peer reviewed journals, his research is recognised internationally as world-leading. With a growing international research network, which includes leading universities from the UK, USA and Japan, Dr Donnelly continually strives towards the development of reliable, biomechanically-informed clinical tools to *a)* help sustain an individual's health related quality of life and *b)* accelerate patient rehabilitation following injury.

Other than as stated above Dr Donnelly has not served as a director of any other listed companies, in the 3 years immediately before the end of the 2015 financial period.

Company Secretary

Kevin Hart B.Com, FCA

Mr Hart is a Chartered Accountant and was appointed to the position of Company Secretary on 1 May 2015. He has over 25 years' experience in accounting and the management and administration of public listed entities in the mining and exploration industry.

He is currently a partner in an advisory firm, Endeavour Corporate, which specialises in the provision of company secretarial and accounting services to ASX listed entities.

Interests in the Shares and Options of the Company

The following relevant interests in shares and options of the Company were held by the directors as at the date of this report:

Director	Number of fully paid ordinary shares	Number of Performance Shares – Class A	Number of Performance Shares – Class B
P Wall	1,500,000	-	-
K Iscoe	16,900,000	11,925,000	11,925,000
E Cross	5,000,000	1,950,000	1,950,000
C Donnelly	-	500,000	500,000

The directors' interests in the performance shares in the above table include no performance shares that are currently vested and exercisable. Further details of the vesting conditions applicable to these performance shares are disclosed in the remuneration report section of this directors' report.

Securities

No ordinary shares were issued by the Company during or since the end of the financial period as a result of the exercise of options or the conversion of performance shares.

There are no unpaid amounts on the shares issued.

At the date of this report there are no unissued ordinary shares of the Company under option.

Dividends

No dividends have been paid or declared since the start of the financial period and the directors do not recommend the payment of a dividend in respect of the financial period.

Principal Activities

The principal activity of the Company during the financial period was the ongoing development of its mobile application technology and undertaking of an initial public offer for its shares on the Australian Securities Exchange.

There have been no significant changes in the nature of these activities during the financial period.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company during the financial period, not otherwise disclosed in this report.

Review of Operations

Operating results and financial position

The net loss after income tax for the financial period was $656,666, which includes $264,187 in respect of brand development and patent costs expensed.

Cash assets at the end of the financial period were $902,582. During the period the Company received $1,903,970 in respect of the issue of ordinary shares and performance shares.

During the period the Company incurred costs of $274,943 in respect of share issue costs and costs associated with the Company's initial public offer that was successfully completed following the end of the financial period.

Summary of Activities

MyFiziq is an early stage technology company founded on 1 October 2014. During the financial period under review, the Company has been focussed on developing a proprietary software application that is intended to convert photos of the human body, taken on a Smart Phone or other digital device (a camera for example), into a 3D image of the human body, also known as the personal Avatar. The personal Avatar created is returned to the Users Smart Phone where they will be able to view and rotate the image and measure major body parts, such as the chest, hips, thighs and biceps.

The key objective of developing the technology is to allow users to track changes in their body shape over time to assess the impact of their weight loss / weight gain or fitness program on their physical appearance over a time period chosen by them.

The application of the technology is designed to enhance and extend the information available to users of mobile fitness devices that currently measure calorie output and activity; such as steps taken, kilometres run / cycled etc. Currently users of these mobile fitness tracking devices can only weigh themselves to assess body change or take "selfies" or have someone (e.g. a personal trainer) use a tape measure to record changes to major body parts.

The MyFiziq App will allow Users to maintain a history of their personal 3D Avatars to record body image changes over time and to act as an incentive in their desired fitness goals (weight loss / weight gain / body change from fitness).

The Company expects to complete and launch the first version of the MyFiziq App in the 2016 financial year.

In addition to the MyFiziq App, the Company has been actively developing the Dr. Katherine™ brand to provide a range of healthy eating products (meal plans and books) to complement the business strategy and grow future revenues. Development of the Dr Katherine website and first product were commenced during the financial period under review.

Events Subsequent to the Reporting Date

- On 12 August 2015 the Company was admitted to the official list of the Australian Securities Exchange following the successful completion of its initial public offer, pursuant to a prospectus lodged with the Australian Securities and Investments Commission on 24 June 2015, which raised $6 million before costs associated with the offer.
- On 17 August 2015 the Company announced a research collaboration agreement with Telethon Kids Institute to pursue joint initiatives to advance and develop research programs and potentially new technology using on a joint basis using the existing resources and technology of each party.
- On 2 September 2015 the Company announced it had entered into a Memorandum of Understanding with iconic Australian swimming champion Michal Klim and fashion entrepreneur Liny Klim to become the first brand ambassadors for the MyFiziq brand.
- On 8 September 2015 the Company entered into a partner agreement with Wimp2Warrior™ (W2W) to develop a version of the MyFiziq App to be branded "W2W" – *powered by MyFiziq.* W2W aims to turn everyday people into mixed martial arts (MMA) fighters as part of an intensive six-month training program. MyFiziq's revolutionary proprietary smartphone application will allow users to track changes in their body shape to assess the impact of their weight loss / weight gain or fitness program on their physical appearance over the user's chosen time period.

Other than the matters above, there has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Likely Developments and Expected Results

The Company continues to work towards finalisation of its MyFiziq App for commercial launch in the 2016 financial year. In addition, the Company intends to undertake further developments of its mobile application technology to add more functionality and continually improve the user experience. The Company expects to commit significant marketing resources to the App launch during the coming financial year. Specific initiatives remain commercial in confidence at this time.

Environmental Regulation and Performance

The Company is not subject to significant environmental regulation in respect of its operations.

Officer's Indemnities and Insurance

During the period the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance for an auditor of the Company.

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.

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

Non-audit Services

During the period HLB Mann Judd the Company's auditor, has not performed any other services in addition to their statutory duties other than the following:

	Period 1 October 2014 to 30 June 2015 $
Total remuneration paid to auditors during the financial period:	
Audit and review of the Company's financial statements	**5,000**
Other services – Independent Accountant's Report	**7,000**
Total	**12,000**

The Board considers any non-audit services provided during the period by the auditor and satisfies itself that the provision of any non-audit services during the period by the auditor is compatible with, and does not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services are reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Remuneration Report (Audited)

Remuneration paid to Directors and Officers of the Company is set by reference to such payments made by other ASX listed companies of a similar size and operating in the mineral exploration industry. In addition reference is made to the specific skills and experience of the Directors and Officers.

Details of the nature and amount of remuneration of each Director, and other Key Management Personnel if applicable, are disclosed annually in the Company's Annual Report.

Remuneration Committee

The Board has adopted a formal Remuneration Committee Charter which provides a framework for the consideration of remuneration matters.

The Company does not have a separate remuneration committee and as such all remuneration matters are considered by the Board as a whole, with no Member deliberating or considering such matter in respect of their own remuneration.

In the absence of a separate Remuneration Committee, the Board is responsible for:

1. Setting remuneration packages for Executive Directors, Non-Executive Directors and other Key Management Personnel; and
2. Implementing employee incentive and equity based plans and making awards pursuant to those plans.

Non-Executive Remuneration

The Company's policy is to remunerate Non-Executive Directors, at rates comparable to other ASX listed companies in the same industry, for their time, commitment and responsibilities.

Non- Executive Remuneration is not linked to the performance of the Company, however to align Directors' interests with shareholders' interests, remuneration may be provided to Non-Executive Directors in the form of equity based long term incentives.

1. Fees payable to Non-Executive Directors are set within the aggregate amount approved by shareholders at the Company's Annual General Meeting;
2. Non-Executive Directors' fees are payable in the form of cash and superannuation benefits;
3. Non-Executive superannuation benefits are limited to statutory superannuation entitlements; and
4. Participation in equity based remuneration schemes by Non-Executive Directors is subject to consideration and approval by the Company's shareholders.

The maximum annual Non-Executive Directors fees, payable in aggregate are approved by Shareholders at a the Company's Annual General Meeting.

Executive Director and Other Key Management Personnel Remuneration

Executive remuneration consists of base salary, plus other performance incentives to ensure that:

1. Remuneration packages incorporate a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the Company's circumstances and objectives; and
2. A proportion of remuneration is structured in a manner to link reward to corporate and individual performances.

Executives are offered a competitive level of base salary at market rates (based on comparable ASX listed companies) and are reviewed regularly to ensure market competitiveness.

To date the Company has not engaged external remuneration consultants to advise the Board on remuneration matters.

Remuneration Report (Continued)

Incentive Plans

The Company does not currently have in place a plan for the provision of equity based incentives to officers and employees.

The Company may in the future provide long term incentives to Directors and Employees pursuant to a formal incentive plan.

The Board, acting in remuneration matters, will:

1. Ensure that incentive plans are designed around appropriate and realistic performance targets and provide rewards when those targets are achieved;
2. Review and improve existing incentive plans established for employees; and
3. Approve the administration of the incentive plans, including receiving recommendations for, and the consideration and approval of grants pursuant to such incentive plans.

Engagement of Non-Executive Directors

Non-Executive Directors conduct their duties under the following terms:

1. A Non-Executive Director may resign from his/her position and thus terminate their contract on written notice to the Company; and
2. A Non-Executive Director may, following resolution of the Company's shareholders, be removed before the expiration of their period of office (if applicable). Payment is made in lieu of any notice period if termination is initiated by the Company, except where termination is initiated for serious misconduct.

In consideration of the services provided by Mr Peter Wall as Non-Executive Chairman, the Company will pay him $60,000 plus statutory superannuation per annum.

In consideration of the services provided by Dr Cyril Donnelly as Non-Executive Director, the Company will pay him $40,000 plus statutory superannuation per annum.

Messrs Wall and Donnelly are also entitled to fees for other amounts as the Board determines where they perform special duties or otherwise perform extra services or make special exertions on behalf of the Company.

During the financial period ended 30 June 2015, the Company incurred no such additional costs.

Engagement of Executive Directors

Dr Katherine Iscoe

The Company has agreed terms with Dr Katherine Iscoe in relation to her role as Executive Director/CEO, effective 30 June 2015. The terms, which are summarised below, are included in a formal executive services agreement.

In respect of her engagement as director and CEO, commencing 1 July 2015, Dr Iscoe will receive a base salary of $139,065 per annum inclusive of statutory superannuation (Total Fixed Remuneration, TFR). Any increase in salary is subject to the discretion of the Board.

Dr Iscoe may also receive a short term performance based reward in the form of a cash bonus up to, 100% of the TFR. The performance criteria, assessment and timing of which are determined at the discretion of the Board.

Dr Iscoe has not been granted any equity based remuneration.

Remuneration Report (Continued)

Engagement of Executive Directors (continued)

Mr Evan Cross

The Company has agreed terms with Mr Evan Cross in relation to his role as Executive Director - Finance, effective 1 May 2015. The terms, which are summarised below, are included in a formal executive services agreement.

In respect of his engagement as director and CFO, commencing 1 May 2015, Mr Cross will receive a base salary of $157,680 per annum inclusive of statutory superannuation (Total Fixed Remuneration, or TFR). Any increase in salary is subject to the discretion of the Board.

Mr Cross may also receive a short term performance based reward in the form of a cash bonus up to, 100% of the TFR. The performance criteria, assessment and timing of which are determined at the discretion of the Board.

Mr Cross has not been granted any equity based remuneration.

Short Term Incentive Payments

The Board may, at its sole discretion, set the Key Performance Indicators (KPIs) for the Executive Directors or other Executive Officers. The KPIs are chosen to align the reward of the individual Executives to the strategy and performance of the Company.

Performance objectives, which may be financial or non-financial, or a combination of both, are determined by the Board.

No Short Term incentives are payable to Executives where it is considered that the actual performance has fallen below the minimum requirement.

No performance evaluation in respect of the period ended 30 June 2015 has taken place in accordance with this process, and accordingly no short term incentive payments have been paid or are payable to Executives in respect of the financial period ended 30 June 2015.

The CEO sets the KPIs for other members of staff, monitors actual performance and may recommend payment of short term bonuses to certain employees to the Board for approval.

Shareholding Qualifications

The Directors are not required to hold any shares in MyFiziq under the terms of the Company's constitution.

Consequences of Company Performance on Shareholder Wealth

In considering the Company's performance and benefits for shareholder wealth, the Board provide the following indices in respect of the current financial period:

	2015
Loss for the period attributable to shareholders	**$656,666**
Closing share price at 30 June	**n/a**

Remuneration Report (Continued)

Remuneration Disclosures

Current Directors and Key Management Personnel of the Company have been identified as:

Mr Peter Wall	Non-Executive Chairman (appointed 25 May 2015)
Dr Katherine Iscoe	Executive Director and Chief Executive Officer (appointed 1 October 2014)
Mr Evan Cross	Executive Director – Finance (appointed 1 October 2014)
Dr Cyril Donnelly	Non-Executive Director (appointed 25 May 2015)

The details of the remuneration of each Director and member of Key Management Personnel of the Company are as follows:

Period from 1 October 2014 to 30 June 2015	Short Term		Post Employment	Other Long Term		
	Base Salary and Consulting Fees $	Short Term Incentive $	Superannuation Contributions $	Value of Share Based Payments $	Total $	Value of Share Based Payments as Proportion of Remuneration %
Current Directors and Key Management Personnel:						
P Wall	-	-	-	-	-	-
K Iscoe	**30,769**	-	**2,923**	-	**33,692**	-
E Cross	**36,000**	-	**2,280**	-	**38,280**	-
C Donnelly	-	-	-	-	-	-
Total	**66,769**		**5,203**	**-**	**71,972**	**-**

Details of Performance Related Remuneration

There have been no Short Term Incentive payments made to Directors or Key Management Personnel of the Company during the financial period ended 30 June 2015.

Remuneration Report (Continued)

Options Granted as Remuneration

There were no options over unissued shares issued Directors or Key Management Personnel of the Company during the financial period ended 30 June 2015.

Exercise of Options Granted as Remuneration

There were no ordinary shares issued on the exercise of options previously granted as remuneration to Directors or Key Management Personnel of the Company during either the financial period ended 30 June 2015.

Equity instrument disclosures relating to key management personnel

Option holdings
No options have been issued, exercised or held by Key Management Personnel during or since the end of the financial period ended 30 June 2015.

Performance share holdings
Key Management Personnel have the following interests in performance shares of the Company.

2015 Name	Balance at start of the period	Received during the period as remuneration	Other changes during the period	Balance at the end of the period	Vested and exercisable at the end of the period
P Wall	-	-	-	-	-
K Iscoe	-	-	**23,850,000**	**23,850,000**	-
E Cross	-	-	**3,900,000**	**3,900,000**	-
C Donnelly	-	-	**500,000**	**500,000**	-

Director	Number of Performance Shares – Class A	Number of Performance Shares – Class B
P Wall	-	-
K Iscoe	11,925,000	11,925,000
E Cross	1,950,000	1,950,000
C Donnelly	500,000	500,000

Performance Shares are convertible into fully paid ordinary shares in the Company, within 5 years of the date of issue, pursuant to satisfaction of the following performance milestones:

Class A Performance Share Milestone will be taken to have been satisfied upon the Company's gross revenue exceeding $1,250,000 per quarter for four consecutive quarters, where a quarter is defined as a period of three consecutive calendar months.

Class B Performance Share Milestone will be taken to have been satisfied upon the Company achieving Earnings Before Interest Tax Depreciation and Amortisation of not less than $1,250,000 per quarter for four consecutive quarters, where a quarter is defined as a period of three consecutive calendar months.

Remuneration Report (Continued)

Share holdings

The number of shares in the Company held during the financial period by key management personnel of the Company, including their related parties are set out below. There were no shares granted during the reporting period as compensation.

2015 Name	Balance at start of the period	Acquisitions pursuant to share placements	Other changes during the period	Balance at the end of the period
P Wall	**-**	**1,500,000**	**-**	**1,500,000**
K Iscoe	**-**	**16,900,000**	**-**	**16,900,000**
E Cross	**-**	**5,000,000**	**-**	**5,000,000**
C Donnelly	**-**	**-**	**-**	**-**

Loans made to key management personnel

No loans were made to key personnel, including personally related entities during the reporting period.

Other transactions with key management personnel

During the financial period ended 30 June 2015 there have been no other transactions with, and are no amounts owing to or owed by Key Management Personnel, other than the following:

- The Company incurred the following costs with Greenday Corporate Pty Ltd, a company associated with Mr Evan Cross:

  - Capital raising costs - $33,000;
  - Consulting services - $20,000; and
  - Office and administration costs - $11,000.

  No amounts are owing to Greenday Corporate as at 30 June 2015.

End of Remuneration Report

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on the following page.

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

DATED at Perth this 29th day of September 2015.

Evan Cross
Executive Director

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of MyFiziq Limited for the period ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
29 September 2015

L Di Giallonardo
Partner

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Statement of Profit or Loss and Other Comprehensive Income
For the period from 1 October 2014 to 30 June 2015

	Note	Period 1 October 2014 to 30 June 2015 $
Income		
Other income	3	**5,267**
Expenses		
Employee expenses	3	**(168,785)**
Consulting and advisory		**(76,798)**
Brand development and patent costs		**(264,187)**
Marketing and publicity		**(19,837)**
Occupancy costs		**(1,590)**
Administration and other expenses		**(130,736)**
Loss before income tax		**(656,666)**
Income tax expense	4	**-**
Net loss for the period attributable to members of the Company		**(656,666)**
Other comprehensive income		**-**
Total comprehensive loss for the period attributable to the members of the Company	15	**(656,666)**
Loss per share		
Basic and diluted loss per share	5	**(2.0)**

The notes to the financial statements form part of this Statement of Profit or Loss and Other Comprehensive Income

Statement of Financial Position
As at 30 June 2015

	Note	30 June 2015 $
Current assets		
Cash and cash equivalents	7	**902,582**
Trade and other receivables	8	**240,124**
Total current assets		**1,142,706**
Non-current assets		
Other financial assets	9	**37,500**
Property, plant and equipment	10	**5,722**
Intangible assets	11	**65,425**
Total non-current assets		**108,647**
Total assets		**1,251,353**
Current liabilities		
Trade and other payables	12	**(114,749)**
Total current liabilities		**(114,749)**
Total liabilities		**(114,749)**
Net Assets		**1,136,604**
Equity		
Issued capital	13	**1,793,270**
Accumulated losses	15	**(656,666)**
Total Equity		**1,136,604**

The notes to the financial statements form part of this Statement of Financial Position

Statement of Changes in Equity
For the period from 1 October 2014 to 30 June 2015

	Issued capital $	Accumulated losses $	Total $
Balance at the start of the financial period	-	-	-
Comprehensive loss for the period	-	(656,666)	(656,666)
Transactions with owners:			
Shares issued	1,903,970	-	1,903,970
Capital raising costs	(110,700)	-	(110,700)
	1,793,270	(656,666)	1,136,604

The notes to the financial statements form part of this Statement of Changes in Equity

Statement of Cash Flows

For the period from 1 October 2014 to 30 June 2015

	Note	Period from 1 October 2014 to 30 June 2015 $
Cash flows from operating activities		
Other income		**4,974**
Payments to suppliers and employees		**(461,542)**
Payments for brand development and patents		**(177,482)**
Net cash flows used in operating activities	7	**(634,050)**
Cash flows from investing activities		
Payments for security deposits		**(37,500)**
Payments for property, plant and equipment		**(6,294)**
Payments for application development costs		**(43,623)**
Net cash flows used in investing activities		**(87,417)**
Cash flows from financing activities		
Proceeds from the issue of shares		**1,903,970**
Payments for share issue and initial public offer costs		**(279,921)**
Net cash flows from financing activities		**1,624,049**
Net increase in cash assets		**902,582**
Cash at the beginning of the financial period	7	**-**
Cash at the end of the financial period	**7**	**902,582**

The notes to the financial statements form part of this Statement of Cash Flows

Note 1 Summary of Significant Accounting Policies

(a) Basis of preparation of financial report

These financial statements are general purpose financial statements, which have been prepared in accordance with requirements of the Corporations Act 2001 and comply with other requirements of the law.

The accounting policies below have been consistently applied to all of the periods presented unless otherwise stated.

The financial statements have been prepared on a historical cost basis, except for available for sale investments and derivative financial instruments which have been measured at fair value. Cost is based on the fair values of consideration given in exchange for assets.

The financial statements are presented in Australian dollars.

These financial statements have been prepared on the going concern basis.

The financial report of the Company was authorised for issue in accordance with a resolution of Directors on 29th September 2015.

Statement of Compliance
The financial report of MyFiziq Limited complies with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards (AIFRS), in their entirety. Compliance with AIFRS ensures that the financial report also complies with International Financial Reporting Standards (IFRS) in their entirety. MyFiziq Limited is a for profit entity for the purpose of preparing the financial statements.

Material accounting policies adopted in the presentation of these financial statements are presented below:

(b) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of 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 profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Note 1 Summary of Significant Accounting Policies (continued)

(b) Income tax (continued)

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(c) Goods and services tax

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

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities that are recoverable from or payable to the ATO are classified as operating cash flows.

(d) Impairment of tangible and intangible assets other than goodwill

The company assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

Note 1 Summary of Significant Accounting Policies (continued)

(d) Impairment of tangible and intangible assets other than goodwill (continued)

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimate used to determine the assets recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in previous years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal the depreciation charge is adjusted in future periods to allocate the assets revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(e) Impairment of financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

(f) Intangible assets

An intangible asset arising from externally acquired intellectual property and development expenditure on an internal project is recognised only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

The amortisation method and useful life 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.

(g) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefit will flow to the Company. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

i. *Sale of goods*

Revenue from sale of goods is recognised when the risks and rewards of the ownership of goods are transferred to the customer. This occurs upon delivery of the goods.

ii. *Services*

Revenue from a contract to provide services is recognised as and when the service is provided. Amounts billed in advance are recorded as a current liability until such time as the service is performed.

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

Note 1 Summary of Significant Accounting Policies (continued)

(h) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(i) Trade and other receivables

Trade receivables, which generally have 30–90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

(j) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial period that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(k) Issued capital

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

Performance shares are classified as equity and are convertible into fully paid ordinary shares of the Company on successful achievement of certain predetermined key performance indicators. Refer to note 13 for details of key performance indicators applying to performance shares currently on issue.

(l) Critical accounting estimates and judgements

The preparation of financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimation of useful life of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its finite life intangible assets. The useful lives could change significantly as a result of technical innovation or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(m) Adoption of new and revised accounting standards

In the financial period ended 30 June 2015, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2014. It has been determined by the Company that, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to Company accounting policies.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the financial year ended 30 June 2015. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

Note 2 Segment Information

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources.

Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Company's sole activity is mobile application and technology development wholly within Australia, therefore it has aggregated all operating segments into the one reportable segment being technological development.

The reportable segment is represented by the primary statements forming these financial statements.

	Period from 1 October 2014 to 30 June2015 $
Note 3 Revenue and Expenses	
Loss for the period includes the following specific income and expenses:	
Lecture service income	**5,000**
Legal expenses	**7,866**
Insurance	**12,655**
Office rent	**1,590**
Employee expenses:	
Salaries and wages	**41,472**
Director salary and consulting	**69,049**
Defined contribution superannuation	**6,863**
Consultant expenses	**47,850**
Other employment expenses	**3,551**
	168,785

Note 4 Income Tax

a) Income tax expense	
Current income tax:	
Current income tax charge (benefit)	**(218,108)**
Current income tax not recognised	**218,108**
Deferred income tax:	
Relating to origination and reversal of timing differences	**279,483**
Deferred income tax benefit not recognised	**(279,483)**
Income tax expense/(benefit) reported in the Statement of profit or loss and other comprehensive income	**-**

	Period from 1 October 2014 to 30 June2015 $
Note 4 Income Tax (continued)	
b) Reconciliation of income tax expense to prima facie tax payable	
Loss from continuing operations before income tax expense	**(656,666)**
Tax at the Australian rate of 30%	**(196,999)**
Tax effect of permanent differences:	
Capital raising costs claimed	**(16,496)**
Tax effect of other differences:	
Net deferred tax asset benefit not brought to account	**213,495**
Tax (benefit)/expense	**-**
c) Deferred tax – Statement of Financial Position	
Liabilities	
Prepaid expenses	**(5,676)**
	(5,676)
Assets	
Revenue losses available to offset against future taxable income	**218,108**
Employee leave provisions	**1,065**
Deductible equity raising costs	**65,986**
	285,159
Net deferred tax asset/(liability)	**279,483**

Deferred tax assets have been recognised to the extent that they extinguish deferred tax liabilities of the Company as at the reporting date.

Net deferred tax assets have not been recognised, in either reporting period, in respect of amounts in excess of deferred tax liabilities.

	Period from 1 October 2014 to 30 June2015 $
Note 4 Income Tax (continued)	
d) Deferred tax – Statement of profit or loss and other comprehensive income	
Liabilities	
(Increase)/decrease in prepaid expenses	**(5,676)**
Assets	
Increase/(decrease) in revenue losses available to offset against future taxable income	**218,108**
Increase/(decrease) in employee leave provisions	**1,065**
Increase/(decrease) in deductible equity raising costs	**65,986**
Deferred tax benefit/(expense) not recognised	**279,483**

The deferred tax benefit of tax losses not brought to account will only be obtained if:

(i) The Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the tax losses to be realised;

(ii) The Company continues to comply with the conditions for deductibility imposed by tax legislation; and

(iii) No changes in tax legislation adversely affect the Company realising the benefit from the deduction of the losses.

All unused tax losses of $727,025 were incurred by Australian entities.

	Period from 1 October 2014 to 30 June 2015
Note 5 Loss per Share	
a) Basic loss per share	
Loss attributable to ordinary equity holders of the Company (cents)	**(2.0)**
b) Diluted loss per share	
Loss attributable to ordinary equity holders of the Company (cents)	**(2.0)**
c) Loss used in calculation of basic and diluted loss per share	**$**
Loss after tax from continuing operations	**(656,666)**
d) Weighted average number of shares used as the denominator	**No.**
Weighted average number of shares used as the denominator in calculating basic and dilutive loss per share	**32,106,410**

Note 6 Dividends

No dividends were paid or proposed during the financial period ended 30 June 2015.

The Company has no franking credits available as at 30 June 2015.

	30 June 2015 $
Note 7 Cash and Cash Equivalents	
Cash at bank[1]	**902,582**
	902,582

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

At 30 June 2015 the Company had no undrawn committed borrowing facilities.

Reconciliation to the Statement of Cash Flows:

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of any outstanding bank overdrafts.

Cash and cash equivalents as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash and cash equivalents	**902,582**

Non-cash financing and investing activities:

There have been no non-cash financing and investing activities for the period ended 30 June 2015.

Cash balances not available for use:

There are no amounts included in cash and cash equivalents not available for use as at 30 June 2015.

Reconciliation of loss after tax to net cash outflow from operating activities:

Loss from ordinary activities after income tax	**(656,666)**
Movement in assets and liabilities:	
(Increase)/decrease in prepaid expenses	**(18,921)**
(Increase)/decrease in other receivables	**(26,975)**
Increase/(decrease) in employee leave provisions	**3,551**
Increase/(decrease) in trade and other payables	**64,961**
Net cash flow from operating activities	**(634,050)**

Note 8 Trade and Other Receivables

Current assets

GST receivable	**52,668**
Trade and other receivables	**4,293**
Prepaid lease costs	**18,921**
Prepaid initial public offer expenses	**164,242**
	240,124

The Company has no trading activity and as such has no trading receivables. The Company does not consider any of its current receivables to be subject to impairment.

	30 June 2015 $

Note 9 Other Financial Assets

Non-current assets

Security Bonds and Deposits:

Balance at the start of the financial period	-
Security deposits paid during the financial period	**37,500**
	37,500

A security deposit of $37,500 is in place in respect of the lease on the Company's offices. Refer note 18.

Note 10 Property, Plant and Equipment

Carrying values	
Fixtures and fittings:	
Cost	**5,722**
Depreciation	**-**
	5,722
	5,722
Reconciliation of movements	
Fixtures and Fitting:	
Opening net book value	**-**
Additions	**5,722**
Depreciation	**-**
	5,722
	5,722

No assets included in property, plant and equipment have been pledged as security in respect of liabilities.

Note 11 Intangible assets – Application Development Costs

Application development costs at the start of the financial period	**-**
Application development costs incurred	**65,425**
	65,425

The recoupment of costs carried forward in relation to intangible assets is dependent upon the successful development or commercial exploitation of the application technology.

	30 June 2015 $
Note 12 Trade and other payables	
Current liabilities	
Trade and other payables	**111,199**
Employee leave liabilities	**3,550**
	114,749

Trade payables are non-interest bearing and normally settled on 30 day terms. See note 17 for financial instrument disclosures relating to trade and other payables.

Note 13 Issued Capital

a) Ordinary shares

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia. The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company.

		2015 No.	2015 $
b) Share capital			
Issued share capital - Ordinary shares		**48,500,000**	**1,792,970**
- Performance shares		**30,000,000**	**300**
		78,500,000	**1,793,270**
c) Share movements during the period – ordinary shares			
Balance at the start of the financial period		**-**	**-**
Issued on incorporation		**2**	**-**
Share placement	$0.0001	**28,699,998**	**2,870**
Share placement	$0.001	**800,000**	**800**
Share placement	$0.10	**19,000,000**	**1,900,000**
Less share issue costs		**-**	**(110,700)**
Balance at the end of the financial period		**48,500,000**	**1,792,970**

Note 13 Issued Capital (continued)

		2015 No.	2015 $
d) Share movements during the period – performance shares			
Balance at the start of the financial period		-	-
Class A performance shares issued	$0.00001	**15,000,000**	**150**
Class B performance shares issued	$0.00001	**15,000,000**	**150**
Balance at the end of the financial period		**30,000,000**	**300**

Performance Shares are convertible into fully paid ordinary shares in the Company, within 5 years of the date of issue, pursuant to satisfaction of the following performance milestones:

Class A Performance Share Milestone will be taken to have been satisfied upon the Company's gross revenue exceeding $1,250,000 per quarter for four consecutive quarters, where a quarter is defined as a period of three consecutive calendar months.

Class B Performance Share Milestone will be taken to have been satisfied upon the Company achieving Earnings Before Interest Tax Depreciation and Amortisation of not less than $1,250,000 per quarter for four consecutive quarters, where a quarter is defined as a period of three consecutive calendar months.

Note 14 Options

a) Options issued during the financial period

There have been no options over unissued shares issued during the financial period ended 30 June 2015.

b) Options exercised during the financial period

During the financial period the Company issued no shares on the exercise of options.

c) Options cancelled during the financial period

During the financial period no options were cancelled.

d) Options on issue at the balance date

There are no options on issue as at 30 June 2015.

e) Subsequent to the balance date

No options have been granted subsequent to the balance date and to the date of signing this report.

No options have been exercised subsequent to the balance date to the date of signing this report.

Note 15 Accumulated Losses and Reserves

	2015 Accumulated losses $
Balance at the beginning of the financial period	-
Loss for the period	(656,666)
Balance at the end of the financial period	(656,666)

Note 16 Share Based Payments

There have been no share based payments made during or since the end of the financial period.

Note 17 Financial Instruments

The Company has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Company's exposure to the specific risks, and the policies and processes for measuring and managing those risks. The Board of Directors has the overall responsibility for the risk management framework and has adopted a Risk Management Policy.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

Trade and other receivables

The nature of the business activity of the Company does not yet result in trading receivables. The receivables that the Company does experience through its normal course of business are short term and the most significant recurring by quantity is currently receivable from the Australian Taxation Office. The risk of non-recovery of receivables from this source is considered to be negligible.

Cash deposits

The Directors believe any risk associated with the use of predominantly only one bank is addressed through the use of at least an A-rated bank as a primary banker and by the holding of a portion of funds on deposit with alternative A-rated institutions. Except for this matter the Company currently has no significant concentrations of credit risk.

The Directors do not consider that the Company's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made.

Note 17 Financial Instruments (continued)

(b) Liquidity risk

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

The Company manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Company's current and future operations, and consideration is given to the liquid assets available to the Company before commitment is made to future expenditure or investment.

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $	Contractual cash flows $	6 months or less $	6-12 months $	1-2 years $	2-5 years $	More than 5 years $
2015							
Trade and other payables	**114,749**	**114,749**	**114,749**	**-**	**-**	**-**	**-**
	114,749	**114,749**	**114,749**	**-**	**-**	**-**	**-**

(c) Market risk

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

Interest rate risk

The Company has significant cash assets which may be susceptible to fluctuations in changes in interest rates. Whilst the Company requires the cash assets to be sufficiently liquid to cover any planned or unforeseen future expenditure, which prevents the cash assets being committed to long term fixed interest arrangements; the Company does mitigate potential interest rate risk by entering into short to medium term fixed interest investments.

The Company does not have any direct contact with foreign exchange or equity risks other than their effect on the general economy.

Note 17 Financial Instruments (continued)

(c) Market risk (Continued)

At the reporting date the interest profile of the Company's interest-bearing financial instruments was:

	Carrying value ($) 30 June 2015
Fixed rate instruments	
Financial assets	-
Variable rate instruments	
Financial assets	902,582

Cash flow sensitivity analysis for variable rate instruments
A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity	
	1% increase	1% decrease	1% increase	1% decrease
2015				
Variable rate instruments	9,026	(9,026)	9,026	(9,026)

d) Fair values

Fair values versus carrying amounts
The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

	2015	
	Carrying amount $	Fair value $
Cash and cash equivalents	902,582	902,582
Trade and other receivables	75,882	75,882
Trade and other payables	(114,749)	(114,749)
Net financial assets	863,715	863,715

e) Impairment losses

The Directors do not consider that any of the Company's financial assets are subject to impairment at the reporting date.

No impairment expense or reversal of impairment charge has occurred during the reporting period.

	2015 $
Note 18 Commitments	
a) Operating lease commitments:	
Due within 1 year	**75,000**
Due after 1 year but not more than 5 years	**243,485**
Due after more than 5 years	**-**
	318,485

The Company has entered into a lease for its principal place of business at Unit 5, 71-73 South Perth Esplanade in Western Australia, with an unrelated landlord (**Landlord**) (**Lease**). The material terms of the Lease are as follows:

1. The term of the Lease is four years (expiring on 30 June 2019), with the option to extend for a further term of 4 years. The rent for the first year of the Lease is $6,250 per month.
2. The Landlord has allowed the Company early access to the premises, however rent and outgoings are not payable until 1 July 2015.
3. On each anniversary of the Lease commencement date, the rent will be increased by a fixed rate of 4%. The rent is subject to a rent review prior to the commencement of any extended term, being the greater of the market rent and CPI as at the date of review.
4. The Company must pay all costs for services and rates in respect of the premises (including electricity, gas, water, council rates and any other services provided to the premises), plus a contribution to the operating expenses of the Landlord for the premises (including cleaning and maintenance, security, and management expenses).
5. The Lease is secured by a cash bond in favour of the Landlord for the amount of $37,500.

The Lease otherwise contains terms considered standard for a document of this nature.

Note 18 Commitments (continued)

b) *Finance lease commitments:*

The Company has no finance lease commitments contracted for as at 30 June 2015.

c) *Capital commitments*

The Company has no capital commitments contracted for as at 30 June 2015.

Note 19 Contingencies

a) *Contingent liabilities*

There are no material contingent liabilities at the reporting date.

b) *Contingent assets*

There are no material contingent assets at the reporting date.

Note 20 Key Management Personnel

(a) Directors and key management personnel

The following persons were directors of MyFiziq Limited during the current financial period:

Mr Peter Wall	Non-Executive Chairman
Dr Katherine Iscoe	Executive Director and CEO
Mr Evan Cross	Executive Director and CFO
Dr Cyril Donnelly	Non-Executive Director

There were no other persons employed by or contracted to the Company during the financial period, having responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly.

(b) Key management personnel compensation

Details of key management personnel remuneration are contained in the Audited Remuneration Report in the Directors' Report. A summary of total compensation paid to key management personnel during the period is as follows:

	2015 $
Total short-term employment benefits	66,769
Total share based payments	-
Total post-employment benefits	5,203
	71,972

Note 21 Related Party Disclosures

During the financial period ended 30 June 2015 the Company incurred the following costs with Greenday Corporate Pty Ltd, a company associated with Mr Evan Cross:

- Capital raising costs - $33,000;
- Consulting services - $20,000; and
- Office and administration costs - $11,000.

No amounts are owing to Greenday Corporate as at 30 June 2015.

Other than the above, and the key management personnel related party disclosure in the Remuneration Report and in Note 20, there are no related party transactions to report.

Note 22 Events Subsequent to the Reporting Date

- On 12 August 2015 the Company was admitted to the official list of the Australian Securities Exchange following the successful completion of its initial public offer, pursuant to a prospectus lodged with the Australian Securities and Investments Commission on 24 June 2015, which raised $6 million before costs associated with the offer.
- On 17 August 2015 the Company announced a research collaboration agreement with Telethon Kids Institute to pursue joint initiatives to advance and develop research programs and potentially new technology using on a joint basis using the existing resources and technology of each party.
- On 2 September 2015 the Company announced it had entered into a Memorandum of Understanding with iconic Australian swimming champion Michal Klim and fashion entrepreneur Liny Klim to become the first brand ambassadors for the MyFiziq brand.
- On 8 September 2015 the Company entered into a partner agreement with Wimp2Warrior™ (W2W) to develop a version of the MyFiziq App to be branded "W2W" – *powered by MyFiziq.* W2W aims to turn everyday people into mixed martial arts (MMA) fighters as part of an intensive six-month training program. MyFiziq's revolutionary proprietary smartphone application will allow users to track changes in their body shape to assess the impact of their weight loss / weight gain or fitness program on their physical appearance over the user's chosen time period.

Other than the matters above, there has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

	30 June 2015 $
Note 23 Auditor's Remuneration	
Total remuneration paid to auditors during the financial period:	
Audit and review of the Company's financial statements	**5,000**
Other services – Independent Accountant's Report	**7,000**
Total	**12,000**

Directors' Declaration

In the opinion of the directors of MyFiziq Limited (the 'Company'):

a. The accompanying financial statements and notes are in accordance with the Corporations Act 2001, including:
    i. give a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the period then ended; and
    ii. comply with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

c. The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial period ended 30 June 2015.

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

DATED at Perth this 29th day of September 2015.

Evan Cross
Executive Director

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of MyFiziq Limited

Report on the Financial Report

We have audited the accompanying financial report of MyFiziq Limited ("the Company"), which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the Company.

Directors' responsibility for the financial report

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

In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

Auditor's responsibility

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

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

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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HLB Mann Judd

Accountants | Business and Financial Advisers

Auditor's opinion

In our opinion:

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

   (i) giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the period ended on that date; and

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

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

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the period ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the remuneration report of MyFiziq Limited for the period ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
29 September 2015