APPENDIX 4D
HALF-YEAR REPORT

1. Company details

Name of entity:	**Q Ltd**
ABN:	13 083 160 909
Reporting period:	**Half-year ended 31 December 2012**
Previous corresponding period:	Half-year ended 31 December 2011

2. Results for announcement to the market

Revenues from ordinary activities	up	734.8%	to	$ 12,297
Loss from ordinary activities after tax attributable to the owners of Q Ltd	down	64.2%	to	$(1,411,542)
Loss for the period attributable to the owners of Q Ltd	down	64.2%	to	$(1,411,542)

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

Comments
The loss for the consolidated entity after providing for income tax amounted to $1,411,542 (31 December 2011: $3,947,616).

3. Net tangible assets

	Reporting period	Previous corresponding period
Net tangible assets backing per ordinary security	(0.38) cents	(1.91) cents

8 million treasury shares have been deducted in the calculation of NTA backing.

4. Control gained over entities

Name of entities (or group of entities)	Not applicable
Date control gained	
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	$ -
Profit/(loss) from ordinary activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period (where material)	$ -

5. Loss of control over entities

Name of entities (or group of entities)	Not applicable	
Date control lost		
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)		$ -
Profit/(loss) from ordinary activities after tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)		$ -

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous corresponding period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

The following dividend or distribution plans are in operation:

Not applicable.

The last date(s) for receipt of election notices for the dividend or distribution plans: Not applicable.

8. Details of associates and joint venture entities

	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
Name of associate / joint venture	Current period	Previous corresponding period	Current period	Previous corresponding period
Not applicable.				
Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)				
Profit(loss) from ordinary activities before income tax			$ -	$ -
Income tax on operating activities			$ -	$ -

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The independent auditors review report contained an emphasis of matter in relation to going concern. A copy of the review report is attached.

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11. Attachments

Details of attachments (if any):

The Interim Report of Q Ltd for the half-year ended 31 December 2012 is attached.

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12. Signed

Signed: ______________________________ Date: 28 February 2013

Efi Kleiner
Director and Company Secretary
Sydney

Q Ltd

ABN 13 083 160 909

Interim Report - 31 December 2012

Q Ltd
Directors' report
31 December 2012

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Q Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the half-year ended 31 December 2012.

Directors
The following persons were directors of Q Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Paul G Choiselat - Executive Chairman
Kevin V Campbell AM - Deputy Chairman
Efrat Kleiner (appointed on 19 October 2012)
Andrew H S Koo AM (resigned on 21 August 2012)

Principal activities
The principal activities of the consolidated entity during the financial half-year was the provision of hosting services. This is a change from the comparative half-year where the principal activities were the provision of digital marketing services until this part of the business was sold on 24 April 2012.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $1,411,542 (31 December 2011: $3,947,616).

Current Assets

Trade receivables
The company had in its books at December 2012 the following fully impaired Trade Receivables:

	$
• Receivables previously sold to Beyond and due to be returned to the company	158,000
• Receivables dated back to the periods prior to March 2012	491,000
	649,000

Of the above amount, $491,000 was impaired in previous accounting periods. Approximately $158,000 was fully impaired during the Half Year to December 2012.

The company is currently going through a collection process in relation to both of the above amounts.

Current Liabilities
The following table sets out the approximate expected timing of payments of the current liabilities of $832,628 included in the Statement of Financial Position. This is relevant in the directors' consideration of the Going Concern basis per Note 1 in the financial statements.

	Amount $	Due
Trade and other payables	39,013	half year to Dec 2013
Trade and other payables	62,758	half year to Dec 2014
Trade and other payables	26,479	timing uncertain
Subtotal	128,250	
Other trade payables and accrued expenses	140,715	half year to June 2013
Other trade payables and accrued expenses	389,794	half year to Dec 2013
Other trade payables and accrued expenses	27,036	half year to June 2014
Other trade payables and accrued expenses	146,833	timing uncertain
Subtotal	704,378	
Total Liabilities	832,628	

The amounts of $26,479 and $146,833 which are shown as timing uncertain, relate to potential over provisions of obligations which were taken up in previous periods and may not be required to be ultimately settled. Until such time as these balances are fully reconciled and payment obligations status confirmed, they are being retained as liabilities in the Statement of Financial Position.

Q Ltd
Directors' report
31 December 2012

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

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 on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Paul G Choiselat
Executive Chairman

28 February 2013
Sydney

Deloitte.

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The Board of Directors
Q Limited
Suite 22, Level 4
95 Pitt Street
Sydney NSW 2000

28 February 2013

Dear Board Members

Q Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Q Limited.

As lead audit partner for the review of the financial statements of Q Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Joshua Tanchel
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

Q Ltd
Financial report
31 December 2012

Contents

General information

The financial report covers Q Ltd as a consolidated entity consisting of Q Ltd and the entities it controlled. The financial report is presented in Australian dollars, which is Q Ltd's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Q Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 22, Level 4
95 Pitt Street
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 28 February 2013. The directors have the power to amend and reissue the financial report.

Q Ltd
Statement of comprehensive income
For the half-year ended 31 December 2012

	Note	Consolidated 31 Dec 2012 $	31 Dec 2011 $
Revenue from continuing operations	3	12,297	1,473
Expenses			
Occupancy		(19,313)	(2,768)
Administration and other related costs		(129,748)	(100,501)
Consultants		(146,250)	(146,250)
Depreciation and amortisation expense	4	-	(14,800)
Employee benefits expense	4	(180,722)	(292,334)
Insurance		(13,016)	-
Travel and accommodation		(13,469)	(26,432)
Impairment of assets		(858,219)	-
Other expenses		(11,898)	(61,311)
Finance costs	4	(51,204)	(3,777)
Loss before income tax expense from continuing operations		(1,411,542)	(646,700)
Income tax expense		-	(3,527,705)
Loss after income tax expense from continuing operations		(1,411,542)	(4,174,405)
Profit after income tax expense from discontinued operations	5	-	226,789
Loss after income tax expense for the half-year attributable to the owners of Q Ltd		(1,411,542)	(3,947,616)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		-	(2,760)
Other comprehensive income for the half-year, net of tax		-	(2,760)
Total comprehensive income for the half-year attributable to the owners of Q Ltd		(1,411,542)	(3,950,376)
		Cents	**Cents**
Earnings per share from continuing operations attributable to the owners of Q Ltd			
Basic earnings per share	13	(1.59)	(5.16)
Diluted earnings per share	13	(1.59)	(5.16)
Earnings per share from discontinued operations attributable to the owners of Q Ltd			
Basic earnings per share	13	-	0.28
Diluted earnings per share	13	-	0.28
Earnings per share for loss attributable to the owners of Q Ltd			
Basic earnings per share	13	(1.59)	(4.88)
Diluted earnings per share	13	(1.59)	(4.88)

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

Q Ltd
Statement of financial position
As at 31 December 2012

	Note	Consolidated 31 Dec 2012 $	Consolidated 30 Jun 2012 $
Assets			
Current assets			
Cash and cash equivalents	6	79,735	843,355
Trade and other receivables	7	397,860	902,194
Total current assets		477,595	1,745,549
Non-current assets			
Receivables	8	16,170	722,759
Total non-current assets		16,170	722,759
Total assets		493,765	2,468,308
Liabilities			
Current liabilities			
Trade and other payables	9	832,628	1,371,336
Employee benefits		-	24,293
Total current liabilities		832,628	1,395,629
Total liabilities		832,628	1,395,629
Net assets/(liabilities)		(338,863)	1,072,679
Equity			
Issued capital		47,699,047	47,699,047
Treasury shares		(232,000)	(232,000)
Reserves		255,729	255,729
Accumulated losses		(48,061,639)	(46,650,097)
Total equity/(deficiency)		(338,863)	1,072,679

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

Q Ltd
Statement of changes in equity
For the half-year ended 31 December 2012

Consolidated	Issued capital $	Treasury shares $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2011	47,699,047	(232,000)	76,647	(41,802,271)	5,741,423
Loss after income tax expense for the half-year		-	-	(3,947,616)	(3,947,616)
Other comprehensive income for the half-year, net of tax	-	-	(2,760)	-	(2,760)
Total comprehensive income for the half-year	-	-	(2,760)	(3,947,616)	(3,950,376)
Balance at 31 December 2011	47,699,047	(232,000)	73,887	(45,749,887)	1,791,047

Consolidated	Issued capital $	Treasury shares $	Reserves $	Accumulated losses $	Total deficiency $
Balance at 1 July 2012	47,699,047	(232,000)	255,729	(46,650,097)	1,072,679
Loss after income tax expense for the half-year		-	-	(1,411,542)	(1,411,542)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	(1,411,542)	(1,411,542)
Balance at 31 December 2012	47,699,047	(232,000)	255,729	(48,061,639)	(338,863)

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

Q Ltd
Statement of cash flows
For the half-year ended 31 December 2012

	Note	Consolidated 31 Dec 2012 $	31 Dec 2011 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		178,104	12,122,491
Payments to suppliers and employees (inclusive of GST)		(939,818)	(11,291,740)
		(761,714)	830,751
Interest received		997	4,041
Interest and other finance costs paid		(2,903)	(67,856)
Income taxes paid		-	(51,880)
Net cash from/(used in) operating activities		(763,620)	715,056
Cash flows from investing activities			
Payments for property, plant and equipment		-	(95,716)
Payment for intangibles		-	(387,337)
Net cash used in investing activities		-	(483,053)
Cash flows from financing activities			
Repayment of borrowings		-	(80,000)
Net cash used in financing activities		-	(80,000)
Net increase/(decrease) in cash and cash equivalents		(763,620)	152,003
Cash and cash equivalents at the beginning of the financial half-year		843,355	821,370
Cash and cash equivalents at the end of the financial half-year	6	79,735	973,373

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

Q Ltd
Notes to the financial statements
31 December 2012

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2012 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New, revised or amending Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

The following amending Accounting Standard is most relevant to the consolidated entity:

AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income
The consolidated entity has applied AASB 2011-9 amendments from 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation.

Going concern
The half-year financial report has been prepared on the going concern basis which assumes the consolidated entity will have sufficient cash to pay its debts as and when they become payable for a period of at least 12 months from the date of the half-year report.

During the half-year ended 31 December 2012 the consolidated entity incurred a net loss of $1,411,542 and had net cash outflows from operating activities of $763,620. As at 31 December 2012 the consolidated entity has a deficiency in net assets of $338,863. During the year ended 30 June 2012 the consolidated entity disposed of its major business operations. At the date of this report the main sources of cash flow are:

- Remaining debtor retention payments from Beyond international; and
- Royalty and deferred consideration payments from the Brand Agency on the sale of Market United.

The directors have assessed the consolidated entity's ongoing cash requirement which indicates that the consolidated entity only has sufficient cash resources to fund its ongoing operations until approximately the end of March 2013 and therefore needs to generate additional funds to continue as a going concern.

Note 1. Significant accounting policies (continued)

In order to generate sufficient additional funding to meet the requirements of the consolidated entity and to manage its future cash outflows, since 31 December 2012 the directors have undertaken the following initiatives:

• Entered into discussions to raise funding from the issuance of additional shares and convertible notes;
• Entered into discussions for the potential acquisition of a new business opportunity which will be settled through the issuance of shares in the Company; and
• Undertaken a program to continue to monitor the consolidated entity's ongoing working capital requirements and maintain an appropriate level of corporate overheads in line with the consolidated entity's available cash resources.

The directors of the consolidated entity are confident that they will raise sufficient funding and/or complete a business acquisition prior to the end of March 2013 that will produce sufficient cash flows to allow the consolidated entity to continue as a going concern, and therefore that it is appropriate to prepare the financial statements on the going concern basis.

However, in the event that the consolidated entity is not able to successfully complete the fund raising and/or business acquisition referred to in the preceding paragraph, significant uncertainty will exist as to whether the consolidated entity will continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Note 2. Operating segments

Identification of reportable operating segments
The consolidated entity, prior to 24 April 2012, was organised into one operating segment being digital marketing services to its customers. Following the sale of a significant part of its marketing business, the consolidated entity's remaining activities at 31 December 2012 is the provision of hosting services.

The Chief Operating Decision Maker ('CODM') is the Board of directors.

Geographical information

	Sales to external customers		Geographical non-current assets	
	31 Dec 2012 $	31 Dec 2011 $	31 Dec 2012 $	30 Jun 2012 $
Australia	-	7,549,563	16,170	722,759
New Zealand	-	2,436,212	-	-
	-	9,985,775	16,170	722,759

The geographical non-current assets above are exclusive of, where applicable, financial instruments, post employment benefits assets and rights under insurance contracts.

Sales to external customers comprise revenue from discontinued operations (refer Note 5).

Note 3. Revenue

	Consolidated	
	31 Dec 2012 $	31 Dec 2011 $
From continuing operations		
Interest	997	1,473
Other revenue	11,300	-
Revenue from continuing operations	12,297	1,473

Note 4. Expenses

	Consolidated	
	31 Dec 2012 $	31 Dec 2011 $
Loss before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Plant and equipment	-	14,800
Finance costs		
Interest and finance charges paid/payable	51,204	3,777
Rental expense relating to operating leases		
Minimum lease payments	19,278	1,449
Employee benefits expense		
Defined contribution superannuation expense	2,787	15,881
Employee benefits	177,935	276,453
Total employee benefits expense	180,722	292,334

Note 5. Discontinued operations

Description

On 6 February 2012, Q Ltd sold its Market United Perth operations to The Brand Agency, a division of STW Communication Group Ltd (ASX: SGN).

On 24 April 2012, Q Ltd sold a significant part of its marketing business to subsidiaries of Beyond International Ltd.

As a result of the above sales, the comparatives have been reclassified to discontinued operations for the businesses disposed.

Note 5. Discontinued operations (continued)

Financial performance information

	Consolidated	
	31 Dec 2012 $	31 Dec 2011 $
Revenue		
Other income	-	9,985,775
Total revenue	-	2,568
	-	9,988,343
Cost of sales		
Marketing	-	(3,953,562)
Occupancy	-	(51,506)
Administration and other related costs	-	(387,563)
Consultants	-	(224,077)
Depreciation and amortisation expense	-	(10,800)
Employee benefits expense	-	(499,453)
Insurance	-	(4,327,888)
Travel and accommodation	-	(67,778)
Other expenses	-	(74,559)
Finance costs	-	(100,289)
Total expenses	-	(64,079)
	-	(9,761,554)
Profit before income tax expense	-	226,789
Income tax expense	-	-
Profit after income tax expense from discontinued operations	-	226,789

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	31 Dec 2012 $	30 Jun 2012 $
Cash at bank	79,735	843,355

Note 7. Current assets - trade and other receivables

	Consolidated	
	31 Dec 2012 $	30 Jun 2012 $
Trade receivables	34,350	540,403
Less: Provision for impairment of receivables	-	(490,939)
	34,350	49,464
Other receivables *	106,867	227,797
Deferred consideration from sale to The Brand Agency **	245,732	583,262
Goods and services tax receivable	10,911	41,671
	397,860	902,194

* This represents an estimate of a probable insurance claim settlement.
** The deferred consideration consists of a pre-determined percentage of revenue generated from the disposed business during the period through to January 2014. This is settled on a montly basis.

Note 8. Non-current assets - receivables

	Consolidated	
	31 Dec 2012 $	30 Jun 2012 $
Deferred consideration from sale to The Brand Agency *	16,170	722,759

* The deferred consideration consists of a pre-determined percentage of revenue generated from the disposed business during the period through to January 2014. This is settled on a montly basis.

Note 9. Current liabilities - trade and other payables

	Consolidated	
	31 Dec 2012 $	30 Jun 2012 $
Trade payables	128,250	124,697
Payable to Beyond D Pty Ltd	-	12,307
Other payables and accrued expenses	704,378	1,234,332
	832,628	1,371,336

Note 10. Equity - dividends

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

Note 11. Contingent liabilities

The consolidated entity has no contingent liabilities at 31 December 2012 and 30 June 2012.

Note 12. Events after the reporting period

No matter or circumstance has arisen since 31 December 2012 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 13. Earnings per share

	Consolidated	
	31 Dec 2012 $	31 Dec 2011 $
Earnings per share from continuing operations		
Loss after income tax attributable to the owners of Q Ltd	(1,411,542)	(4,174,405)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	88,857,334	80,857,334
Weighted average number of ordinary shares used in calculating diluted earnings per share	88,857,334	80,857,334
	Cents	Cents
Basic earnings per share	(1.59)	(5.16)
Diluted earnings per share	(1.59)	(5.16)

	Consolidated	
	31 Dec 2012 $	31 Dec 2011 $
Earnings per share from discontinued operations		
Profit after income tax attributable to the owners of Q Ltd	-	226,789
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	88,857,334	80,857,334
Weighted average number of ordinary shares used in calculating diluted earnings per share	88,857,334	80,857,334
	Cents	Cents
Basic earnings per share	-	0.28
Diluted earnings per share	-	0.28

Note 13. Earnings per share (continued)

	Consolidated	
	31 Dec 2012	**31 Dec 2011**
	$	**$**
Earnings per share for loss		
Loss after income tax attributable to the owners of Q Ltd	(1,411,542)	(3,947,616)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	88,857,334	80,857,334
Weighted average number of ordinary shares used in calculating diluted earnings per share	88,857,334	80,857,334
	Cents	**Cents**
Basic earnings per share	(1.59)	(4.88)
Diluted earnings per share	(1.59)	(4.88)

79,250 (2011: 127,000) options are excluded from the above calculation as they would be anti-dilutive for the period.

Q Ltd
Directors' declaration

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the financial half-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.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors

Paul G Choiselat
Executive Chairman

28 February 2013
Sydney

Deloitte.

Deloitte Touche Tohmatsu
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Independent Auditor's Review Report to the members of Q Limited

We have reviewed the accompanying half-year financial report of Q Limited, which comprises the statement of financial position as at 31 December 2012, and the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 4 to 16.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Q Limited's financial position as at 31 December and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Q Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Touche Tohmatsu Limited

Deloitte

Auditor's Independence Declaration

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Q Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report which indicates that the consolidated entity incurred a net loss of $1,411,542 and had net cash outflows from operating activities of $763,620 during the half-year ended 31 December 2012 and, as at 31 December 2012 the consolidated entity has a deficiency in net assets of $338,863. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the ability of the consolidated entity to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Deloitte Touche Tohmatsu

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Joshua Tanchel
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Sydney, 28 February 2013