VENTUREAXESS GROUP LIMITED

A.B.N. 42 087 426 953

ANNUAL REPORT

30 June 2009

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Company Directory

Directors

Geoffrey Mullins – Chairman (Deceased 18 July 2009)
Karalyn Day - CEO
Emyr Jones – Non-Executive Director (Resigned 22 July 2009)
Richard Green - Independent Non-Executive Chairman
Trevor Nink - Non-Executive Director (Resigned 2 October 2008)
Ken Edmonds – Non-Executive Director (Appointed 5 June 2009. Resigned 17 January 2010)
David Hickie – Independent Non-Executive Director (Appointed 22 October 2009)
Simon Van Assche – Independent Non-Executive Director (Appointed 22 October 2009)
Charles Wantrup – Independent Non-Executive Director (Appointed 17 November 2009

Company Secretary

Karalyn Day (appointed 3 October 2007)

Registered Office

Level 7
160 Queen Street
Melbourne Vic 3000

Postal Address:

Level 7
160 Queen Street
Melbourne
AUSTRALIA
Telephone: 03 967 2122
Facsimile: 03 9923 6303
E-mail: info@ventureaxess.com

Share Registry

Share Transfers Registrars Pty Ltd
770 Canning Hwy
Perth WA 6153

Telephone: 08 9315 2333
Facsimile: 08 9315 2233

Auditors

Northstar Accountants
Suite 9
90 Mona Vale Road
Mona Vale, NSW 2103

Stock Exchange Listing

VentureAxess Group Limited shares and options are quoted on the National Stock Exchange and coded as “VAX” and “VAXO” respectively.

Directors' Report (continued)

The Board of Directors of VentureAxess Group Limited ("the Company") present their report on the consolidated entity (referred to hereafter as "the Group" or "Consolidated Entity") consisting of VentureAxess Group Limited and its controlled entities for the financial year ended 30 June 2009.

Directors

The names and details of the directors of VentureAxess Group Limited in office at the date of this report are:

Geoff E Mullins, LLB, BCom. UNSW, Barrister-at-Law
Chairman

Over his 25 years in general management, Geoff has been providing corporate advice on the commercialisation of new technologies and ventures. With a strong background in both commerce and law, Geoff has used his high-level experience in information technology and communications to advise numerous Australian and International companies. Geoff is also Chairman of Medical Science Australia Limited, VentureAxess Limited, VentureAxess Fund Managers Limited and Heart Assist Technologies Pty Ltd.

Appointed to the Board on 1 May 2007. Deceased 18th July 2009

Karalyn Day
Chief Executive Officer

Karalyn has worked in the venture capital industry for the last 8 years, prior to which she managed a Japanese backed investment company. She has past experience as a state sales and channels manager of a publicly listed telecommunications company and in para-legal and legal practice management. Karalyn also has 12 years successful and extensive experience in the health industry and is currently a Director of VentureAxess Limited, VentureAxess Fund Managers Limited and Heart Assist Technologies Pty Ltd as well as being Company Secretary to various companies in the VentureAxess Group and its investee companies.

Appointed to the Board 1 May 2007.

Emyr Jones, BA Econ (Hons), FCA
Executive Director

Emyr has accumulated over 30 years professional experience as a corporate and financial officer in various listed UK companies, and non-executive director of, and investor in, emerging businesses. Following qualification as a Chartered Accountant in the UK, Emyr joined a leading listed Advertising Agency Group in London, before leaving to list a private Marketing Services Group on the London Stock Exchange. Emyr also assisted a new financial research business to raise seed capital via a corporate venture partner, becoming a founding director and shareholder. On exit of the corporate partner and investment by a leading European Venture Capital Group, Emyr became Non-Executive Chairman of the research business. Emyr moved to Sydney in 2001 and was a Director of Medical Science Australia Limited, VentureAxess Limited and VentureAxess Fund Managers Limited, Non-Executive Chairman of Ceebron Pty Ltd and WebND Technologies Pty Ltd and Non-Executive Director of AusUni Pty Ltd.

Appointed to the Board 1 May 2007. Resigned 22nd July 2009

Directors' Report (continued)

Richard Green
Non-Executive Director/
Chairman

Richard is a stockbroker with over 40 years experience. Richard is the Chairman of Queensland Trustees Investment Limited. He is also a director of Venture Axess Limited, and Queensland Tourism Industries Limited, both ASX listed companies.

Richard has extensive experience in the stock broking industry working for major stock broking companies such as JB Were, Ord Minnett, Ord BT, Cortis and Carr later renamed Bache Cortis and Carr and subsequently, renamed Prudential Bache Securities Limited.

Richard has had extensive funds management experience and was formerly a director of Oceanic Funds Management Limited, Chairman of Global Funds Management Limited and Lion Advantage Limited.

He is also an affiliate member of the Australian Stock Exchange and has been Chairman of the Alpine Resorts Commission, Board Member of Tourism Victoria and National President of the Belgium Luxemburg Chamber of Commerce.

Appointed to the Board 21st April 2008, appointed chairman 30th July 2009

Ken Edmonds
Independent Non-Executive Director

Director of YoULiNG , Ken is an experienced Director and Managing Director in the IT and Telecom industry worldwide.
Ken set up and launched the first Mobile Telephone business for Telecom NZ.
Relocating to Europe he specialized in the development of high technology businesses, delivering significant achievements in blue chip multi-nationals, including Cisco Systems, Nortel Networks and Marconi. He has directed EMEA (Europe, Middle East and Africa) business operations with full P&L responsibilities, covering 144 countries with staff in 10 countries, improving both sales and profit performance. He has masterminded and driven over $3B of new business in all major markets in the world, including Europe, Middle East, Africa, Pacific and North America.

Appointed to the Board 5th June 2009, Resigned 17th January 2010

Directors' Report (continued)

Simon Van Assche
Independent Non-Executive Director

Simon has degrees in Law/Commerce at the University of Melbourne. He was admitted as a Barrister and Solicitor of the Supreme Court of Victoria in 1979.
Simon has been involved in a senior capacity in the investment banking industry for over twenty five years both in Australia and for periods in London, New York and Tokyo.
These positions involved opening the London office of DBSM (now UBS), Head of Capital Markets London and New York (BZW), Director International Capital Markets Daiwa (Tokyo), and Director Structured Finance Merrill Lynch.
During this period Simon developed expertise over the entire asset class spectrum including debt, equity, property, including structured debt and equity capital markets, structured finance, securitization, infrastructure, equity raisings and property funds management.
Simon was also founding director of York Capital Limited and Lamont Capital Limited. These companies are specialist property investment banking conduits. They are the structured financial and legal project manager in large property transactions. They both coordinate and act in a lead role with experts in public property acquisitions. Simon has successfully completed over $650 million of listed and unlisted property management investment schemes over the past ten years.

Appointed to the Board 22 October 2009

Charles Wantrup
Independent Non-Executive Director

Mr Charles Wantrup has been practicing exclusively as a commercial solicitor for over 30 years. He has extensive experience in funding and financing, taxation law and practice, intellectual property law, industrial relations, international trade and investment and in corporation's law, capital raising and mergers and acquisitions. A key aspect of his approach to providing services is his concentration on structuring business enterprises. This involves an understanding of corporations and other business structures, both in Australia and overseas, at a legal and accounting level. He has pioneering experience in the establishment and structuring of high technology companies, mining joint ventures and venture capital funds.

Appointed to the Board on 17 November 2009.

Directors' Report (continued)

David M Hickie
Non-Executive Director

David Hickie has over 40 years experience in banking, finance and funds management. His experience extends across the banking, building society, friendly society and credit union movement from 1969 to 1983 before entering funds management. Whilst at Global Funds Management, David managed the Global Monthly Income Fund, it was awarded the Mortgage Fund of the year 1994 and 1995 and runner-up in 1993 by Money Management Magazine. David was responsible for the establishment of the YWCA Ethical Fund, the first Ethical Fund in Australia and the management of the Fixed Interest and Mortgage part of the portfolio. David also set up and managed the Undervalued Property Fund of Australia for the indigenous Inuits of Canada.

David worked for the Queensland and Federal Governments in assisting the setting up of the Cape Bank Limited to provide banking services to the remote areas of Cape York for Indigenous people, David also helped introduce the Family Income Management Program to the women of Cape York causing budgeting systems to be introduced and a savings mentality to be generated and ultimately an increase in the wealth in the community. He was instrumental in negotiating a settlement between Rio Tinto, the largest listed mining company in Australia and the 17,000 indigenous people of Cape York that were affected by the companies mining operation.

David has had extensive experience in the management of various listed and unlisted trusts, including Mortgage and Property Trusts, Mortgage Securitisation, Equity Funds, Healthcare/Hospital Funds and Master Superannuation Funds particularly through his previous directorships and his time at Oceanic and Global Funds Management Australia Limited.

For a period of approximately a decade, David was a non-executive director of the Societe Generale Australia Limited securitisation conduits, ACE Limited, ACE Funding Limited, AUSTRA Limited and HOMES Limited with over $7.8b under management and is now providing consulting for structured finance to a number of parties locally as well as offshore.

Internationally he has provided consulting services to the Bank of Russia on their introduction to real estate property ownership and mortgage finance. He spent 12 months negotiating and advising the Luso International Bank of Macau on securitisation of their mortgage portfolio. He also provided consulting services to a securities firm and the Trustees of a Superannuation scheme in Papua New Guinea on the introduction of a housing project and mortgage finance for their members.

Appointed to the Board 22 October 2009

Karalyn Day
Company Secretary

Karalyn has worked in the venture capital industry for the last 8 years, prior to which she managed a Japanese backed investment company. She has past experience as a state sales and channels manager of a publicly listed telecommunications company and in para-legal and legal practice management. Karalyn also has 12 years successful and extensive experience in the health industry and is currently a Director of VentureAxess Limited, VentureAxess Fund Managers Limited and Heart Assist Technologies Pty Ltd as well as being Company Secretary to various companies in the VentureAxess Group and its investee companies

Appointed as Company Secretary on 3 October 2007

Directors' Report (continued)

Dear Shareholders,

I am sorry to inform you of the passing of Geoff Mullins who lost his battle with cancer in July 2009, and even in the last weeks of his life he was bringing in new board members, structures and associates to carry on with the work that he had started preparing for VentureAxess Group Limited.("VentureAxess Group")

Karalyn Day, Director and Company Secretary, David Hickie, Simon Van Assche, and Charles Wantrup Non-Executive Directors having being working hard to review the companies venture capital investments held by the Medical Science Australia Limited a wholly owned subsidiary.

These investments have been written down during the period by the amount of $2,145,904 which together with the write off of goodwill on consolidation of $1,955,080 contributes significantly to the loss for the year of $4,466,353 as compared to a profit for the previous year of $11,914. Some investments have been written off entirely where the companies have failed or become dormant and we cannot confirm or secure assets or intellectual property.

The company raised some secured convertible notes of $150,000 to enable the company to continue on to a rights issue to raise more capital for investment and working capital to be able to realise some of the investments that the company owns.

Whilst some of the investments have been impaired or written down to cost the directors are working on trying to convert these investments to cash or liquid share investments.

All of these investment made are in venture capital companies that need further investment to become viable or get to market. The company is trying to locate listed companies that may be able to purchase these investments either the companies or their intellectual property or patents.

The company has not been paid all its managements fees owed from these investments and the directors believe they will collect these fees owed in due course and upon realisation of these investments in the medium term.

The directors of VentureAxess Group Limited put the company into administration on the 28 April 2010.

The company fell into hard times following the demise of its former Chairman, Mr. Geoff Mullins. His untimely death left finalisation of many projects (including the acquisition of Medical Science Australia Limited and completion of its audit) incomplete with the result that the company was unable to raise fresh capital.

A Deed of company Arrangement was proposed by Custodian Company Pty Ltd a company controlled by a director David M Hickie, this deed was accepted by creditors on the 2 June 2010.This will then allow the restructuring of the company to advance and support the proposed re-listing of the company.

The secured creditors of the company now holding $250,000 of secured convertible notes will be issued shares in the company such that they will hold 50% of the then fully diluted capital with no one converting note holder having in excess of 20% of the company.

The company is negotiating to acquire the outstanding shares of Credit Elect Pty Ltd and a non binding Heads of Agreement for the acquisition has been signed by the administrator on the 4 June 2010.

The wholly owned subsidiary Medical Science Australia Pty Ltd has not been subject to administration or the DOCA but is subject to a secured debenture held by the Bendigo Bank. The security held by the bank will become subject to a dispute and litigation with the bank and a previous director of Medical Science Australia.

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Following execution of a deed on 6 April 2010, and pursuant to the terms of the Framework Agreement, funds have now been made available to the Administrator for settlement of creditor claims and payment of a final dividend under the Deed of Company Arrangement.

The directors will be calling an AGM to accept these accounts and those of the June 2010 financial year.

Directors' Report (continued)

The company is moving its head office to Melbourne.

Two Year Summary of Performance

As the Company listed on 16 September 2005, only 30 June 2009, 2008 figures have been included.

	2009 **$**	**2008** **$**
Gross Revenue	241,045	271,470
Net profit (loss) before tax	(4,466,353)	11,914
Total assets	4,250,486	2,557,966
Total liabilities	1,493,743	585,713
Shareholders funds (deficiency)	2,756,743.	1,957,718
Earnings (loss) per share (cents)	(0.0378)	0.05
Dividends per share	Nil	Nil
Net tangible assets (deficiency) per share (cents)	2.33	6.58

Directors' Report (continued)

Matters subsequent to the end of the financial year

The company raised in October some secured convertible notes of $150,000 to enable the company to continue on to a rights issue so as to be able raise more capital for investment and working capital to be able to realise some of the investments that the company owns.

The convertible notes are secured by a debenture over the company and repayable in 12 months. These convertible notes have attaching options to be approved at the AGM.

The company's new directors have been working since October when they joined the board to bring the company up to date and at the same time investigate all the investments held by the company.

Due to the delay in completing the audited accounts for Medical Science of Australia for 2008 (MSA), the company did not have sufficient funds to take the company to an AGM and to complete a planed rights issue to enable the re listing of the company, the directors had no choice but to put the company in to administration on the 28 April 2010.

A proposal for a deed of company arrangement was put to secured and unsecured creditors that were accepted on the 2 June 2010.

A dispute over the security held by Bendigo Bank over Medical Science of Australia also to involve a previous director of the company is likely to result in legal action if not resolved by the end of June 2010.

An offer to compromise and remove the debenture to be funded by an external party was not accepted by the bank or the past director, It is likely that litigation will take place after 30 June 2010 and the value of MSA and its investments are currently doubtful if no resolution can be achieved by the end of June .

Likely developments and expected results of operations.

As we continue to research the investee companies it has become obvious that more write offs may occur if these companies don't receive more capital to get to commercialisation of their intellectual property.

We are aware of the urgency and are trying to find other capital support for them. The aim is to help the companies where possible to secure the investment and management fees owed. Until the security is removed over MSA by the bank and the debt is forgiven or taken over by the previous director who took out these borrowings no one will fund the financial assistance needed of the investee companies.

The directors are looking at acquiring a unique financial services business as soon as the AGM is held for 2009, the December 2009 half year accounts are completed and audit review signed off and the June 2010 accounts are audited. It is the objective of the board to hold the AGM for 2009 by mid July and the 2010 AGM with an EGM by mid August 2010.

The rights issue will be issued with a view of raising funds to also assist in the purchase of the business identified and assist in realising some of the investments held if MSA is still a wholly owned subsidiary.

Environmental regulation

The Consolidated Entity's operations were not subject to any particular and significant environmental regulation during the financial year.

Shares under option
Unissued ordinary shares of under option at the date of this report are as follows:

Expiry Date	Issue Price of Shares	Number of Shares Under Option
31 December 2009	$0.20	25,080,214

Options holders do not have any rights under the options to participate in any share issue of the Company.

Shares issued on the exercise of options

Nil

Directors' Report (continued)

Insurance of officers

During the financial year VentureAxess Group Limited paid a premium to insure all past, present and future officers and secretaries of the Company against liability for reasonable legal costs incurred in:

1. the investigation, defence, reporting, or negotiation for settlement of legal or arbitral proceedings or a claim for compensation; and
2. legally compellable attendance at any official investigation, examination or inquiry.

However, the insurance does not cover certain defined exclusions, including liability that arises from a dishonest, fraudulent or malicious act, intentional or wilful breach of statute, contract or duty, and others.

Meetings of directors

The numbers of meetings of the board of directors and of each board committee held during the year, and the number of meetings attended by each Director were as follows:

Director	Board Meetings		Board Committee Meetings Audit Committee	
	A	**B**	**A**	**B**
G Mullins	5	5	4	4
E Jones	5	5	*	*
K Day	5	5	4	4
R Green	5	5	*	*
Ken Edmonds	1	1	*	*
Trevor Nink	1	1	*	*

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the committee during the year
* = Not a member of the relevant committee

Directors' Report (continued)

Directors' interests in shares and options

Directors' interests as at the date of this report in shares and options over shares issued by the Company were as follows:

Director	No. of ordinary shares in which relevant interest held	No. of options in which relevant interest held
Geoff Mullins	2,236,442	1,913,023
Emyr Jones	1,824,708	1,720,000
Karalyn Day	884,350	1,720,000

Geoff Mullins, Emyr Jones and Karalyn Day have an interest in 10,623,687 ordinary shares and 7,272,487 share options held by VentureAxess Capital Limited, a company of which they are Directors.

Non-audit services
Nil

Remuneration report

The remuneration report is set out under the following headings:

A. Principles used to determine the nature and amount of remuneration
B. Details of remuneration
C. Service agreements
D. Equity-based compensation

The information provided under headings A-D includes remunerations that are required under AASB 124 Related Party Disclosures. These disclosures have been transferred from the financial report and have been audited.

A. Principles used to determine the nature and amount of remuneration

The remuneration policy ensures that contracts for services are reviewed on a regular basis and properly reflect the duties and responsibilities of the individuals concerned. The executive remuneration structure is based on a number of factors including length of service, relevant market conditions, knowledge and experience with the industry, organisational experience, performance of the Company and that the remuneration is competitive in retaining and attracting motivated people. There is no guaranteed pay increases included in the senior executives' contracts.

Geoff Mullins, Emyr Jones and Karalyn Day who were appointed Directors on 1 May 2007 have agreed not to draw any Directors Fees from the Company until such time as the Company has sufficient operating activities and funds to make such payments.

Directors' Report (continued)

Remuneration report (continued)

A. Principles used to determine the nature and amount of remuneration (continued)

The fees and remuneration of key management personnel, the non-executive Directors' fees and Chairman's fee are reviewed by the Directors from time to time to determine that they are appropriate and in line with market expectations. The Chairman is not present at any discussions relating to the determination of his own remuneration.

Non-executive Directors' fees are determined within an aggregate Directors' fee pool limit. The current maximum amount of Non-Executive Directors' fees payable is fixed at $30,000 per annum. The Constitution provides that this sum can only be increased pursuant to a resolution at a general meeting.

The key management personnel and the Directors are not entitled to any retirement benefits or receive any additional benefits except where provided by the superannuation guarantee scheme, which is currently 9%.

B. Details of remuneration

Amounts of Remuneration

Details of remuneration of the Directors and the key management personnel (as defined in AASB 124 Related Party Disclosures) of VentureAxess Group Limited and its controlled entities are set out in the following tables.

The key management personnel of the Group are the Directors of VentureAxess Group Limited and any executives that report directly to them. There were no such executives during the financial year.

Details of the nature and amount of each element of the emolument of each Director of the company and each of the key management personnel for the consolidated entity receiving the highest emolument for the financial year are as follows:

		Short-term benefits	Post-employment	Equity-based benefits	
Specified directors		**Base Salary & Fees $**	**Benefits Superannuation $**	**Options $**	**Total $**
Geoff Mullins (Non-Executive Chairman)	**2009**	**-**	**-**	**-**	**-**
Richard Green (Non Executive Director) Emyr Jones (Non-Executive Director)	**2009**	**-**	**-**	**-**	**-**
Karalyn Day (Non-Executive Director) Ken Edmonds (Non-Executive Director	2009	-	-	-	-
Total remuneration	**2009**	**Nil**		**Nil**	**Nil**
	2008	19,000		10,303	29,303

Directors' Report (continued)

Remuneration report (continued)

B. Details of remuneration (continued)

Amounts of Remuneration (continued)

PARENT ENTITY

	Short-term benefits	Post-employment benefits	Equity-based benefits	
Other key management personnel	**Base Salary & Fees $**	**Superannuation $**	**Options $**	**Total $**
Total Remuneration	**Nil**	**Nil**	**Nil**	**Nil**

The subsidiary companies paid no remuneration to Directors and key management personnel nor were cash bonuses, non-monetary benefits or retirement benefits paid to the Directors or key management personnel.

The Directors and Executives remuneration have been determined on the basis of the cost to the entity, which includes specific benefits.

C. Service agreements

Agreements and Share Based Compensation

Nil

Directors' Report (continued)

Remuneration report (continued)

D. Equity-based compensation

The options are granted to a company associated with agreements. The options are granted for no consideration and are subject to the satisfaction of a market condition.

The options are granted for a year period and carry no dividend or voting rights.

If the Market Condition had been satisfied, the grant of the options would be subject to shareholder approval and obtaining approvals pursuant to the Corporations Act and the Listing Rules of the NSX. The Company recognises the services when received and has recognised the grant date fair value of the options for the purposes of recognising the services received during the period between the service commencement date and actual grant date ("Entitlement Date").

For the year ended 30 June 2009 no entitlements to options arose as market conditions were not met. .

All options have expired as at 31 December 2009.

Directors' Report (continued)

Remuneration report (continued)

Directors' interests in shares and options (continued)

As at the date of this report the Directors' interests and nature in shares and options issued by the Company were NIL

Audit committee

This committee oversees and appraises the quality of audits conducted by the consolidated entity's external auditors, as well as determining the adequacy of administrative, operating and accounting controls. It is responsible for ensuring that the consolidated entity properly complies with all legislation and policies affecting its daily operations. It maintains open lines of communication between the Board and external advisers and oversees the identification of risk to ensure its proper management.

Members of the Audit Committee during the year were:

Name

G Mullins – appointed 1 May 2007

K Day – appointed 1 May 2007

Remuneration report, service agreements and share based payments

Remuneration, service agreement and share based payment details for the executive director, non-executive directors and senior executive officers of the company and consolidated entity are set out in the Remuneration Report section of this Directors' Report.

Directors' interests in contracts

Nil

Tax consolidation

Effective 4 September 2004, for the purposes of income taxation, VentureAxess Group Limited and its wholly owned subsidiaries have formed a tax consolidated group. Members of the group have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned subsidiaries on a pro-rata basis. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations**.**

Directors' Report (continued)

Corporate governance

The Board of Directors is responsible for the Corporate Governance of the consolidated entity. The Board is committed to achieving the highest standards of corporate behaviour and accountability. The company's Corporate Governance Statement is contained in the following section of this report.

Appointment of Auditors

North Star Accountants where appointed as auditors at the last Annual General Meeting.

Auditors' independence

Section 307C of the *Corporations Act 2001* requires the Company's auditors, North Star Accountants, to provide the Directors with a written independence declaration in relation to their review of the financial report for the year ended 30 June 2009. The written Auditor's independence declaration is attached to the Directors' Report and forms part of this Directors' Report.

Rounding

The company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the rounding of amounts in the financial report. Amounts in the financial report have been rounded in accordance with that Class Order to the nearest dollar.

David M Hickie

Signed on behalf of

Richard Green

Chairman

Sydney, 9 June 2010

Directors' Report (continued)

Northstar

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF VENTUREAXESS GROUP LIMITED AND CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 there have been:

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

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

Northstar Accountants Pty Ltd

Andrew Stanning
Director

Sydney, 3rd November 2009

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Chartered Accountants

Statement of Corporate Governance Practices

Corporate Governance Statement

This statement outlines the main corporate governance practices in place under the headings contained in the ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations" ("the ASX Principles"). (The Company is listed on the Newcastle Stock Exchange, which does not prescribe comparable standards to the ASX Principles. The Company has therefore chosen to have regard to the ASX Principles).

Principle 1 - Lay solid foundations for management and oversight

The Board is responsible to shareholders for the group's overall Corporate Governance. The Board delegates to the Chairman or Chief Executive Officer (CEO) and the executive team the responsibility for the operation and administration of the consolidated entity. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess performance.

The key responsibilities of the Board are to:

- Establish, monitor and modify the corporate, business and tactical level strategies of the Company;
- Ensure compliance with good corporate governance and other requirements of the law;
- Monitor the performance of the Company and its management;
- Undertake a review of risks and further develop systems of internal control;
- Approve decisions concerning capital and major expenditure; and
- Ensure proper disclosure to shareholders and other stakeholders.

Principle 2 - Structure the Board to add value

The current board of six members comprises of primarily non-executive directors, one is executive. The names, skills, experience of the directors in office at the date of this statement and the period of office of each director are set out in the Directors' Report contained in this Financial Report. The directors believe that the Board is of sufficient composition, size and commitment to adequately discharge its responsibilities and duties.

Independence of Directors

A majority of the Directors of the current board are Non-Executive Directors, they are t considered Independent,. The Board believes that the individual directors make quality and independent judgments in the best interests of the Company.

The Board distinguishes between the concept of independence and issues of conflict of interest and material personal interest. The Board's policies and procedures ensure that interests in the matters are disclosed and that the relevant director is excluded from voting in matters relating to conflict of personal and material interest. All directors are also able to obtain independent advice at the expense of the Company.

The composition of the Board will be monitored to ensure that additional independent directors are appointed on a timely basis to fulfil specific skill sets needed by the Board to discharge its responsibilities competently and to meet its obligations.

Chairperson of the Board

On 1 May 2007 Geoff Mullins was appointed Non-Executive Chairman of the Company. Geoff Mullins passed away on the 18 July 2009 and Richard Green was appointed as the new chairman.

Statement of Corporate Governance Practices (continued)

Corporate Governance Statement (continued)

Principle 2 - Structure the Board to add value (continued)

Nomination

As VentureAxess Group Limited has a relatively small Board it has not established a formal nomination committee. The whole Board participates in the selection of members of the Board. The Board has adopted a Nomination and Remuneration Policy.

The Nomination and Remuneration Policy delegates to non-executive directors the responsibilities of:

- Assessing the necessary competencies of Board members to add value to the Company;
- Reviewing the Board succession plans;
- Evaluating the Board's performance; and
- Providing recommendations for the appointment and removal of members of the Board and Committees of the Board.

Principle 3 - Promote ethical and responsible decision making

Code of Conduct

The Company is firmly committed to ethical business practices, a safe workplace and compliance with the law. Fair dealing with the Company's suppliers, advisors, customers, employees and competitors is expected at all levels of the organisation. All directors, executive management and employees are expected to act with integrity to enhance the performance of the Group. The Company has established a Code of Conduct which provides a guide to the Directors and employees as to the practices necessary to maintain confidence in the Company's integrity and ethical practices.

Trading in Company Securities by Directors, Officers and Employees

The Board has established written guidelines set out in its Corporate Ethics and Securities Trading Policy that sets guidelines for trading in the Company's shares. The policy restricts the buying or selling of Company Shares within seven days prior to the release of the half year and annual reports and at any time during which the directors are aware of unpublished price sensitive information.

Principle 4 - Safeguard integrity in financial reporting

Statement to the Board by the Chief Executive Officer and Chief Financial Officer

At any time that the Company employs a Chief Executive Officer and/or a Chief Financial Officer, the Board requires that the Chief Executive Officer and Chief Financial Officer state in writing to the Board that the consolidated financial statements of the Company and its controlled entities present a true and fair view, in all material respects, of the Group's financial condition and operational results and are in accordance with applicable accounting standards.

Audit Committee

The Audit Committee operates under a Charter approved by the Board. It is the Audit Committee's responsibility to ensure that an effective internal control framework exists within the consolidated entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

The roles and responsibilities of the Audit Committee are contained in a written charter.

Some meetings of the Committee will be attended (by invitation) by any Chief Executive Officer/Managing Director and/or Chief Financial Officer, and the engagement partner from the Company's external auditors and also any such other senior staff or professional people as are appropriate from time to time. The Company ensures that at least one person present had financial experience and that some members had an understanding of the activity carried out by the Company.

The Audit Committee determined that there was a practical need for a change in the external auditor to a Sydney based practice. Accordingly, the Board appointed, with the consent of ASIC, North Star Accountants as Auditors, subject to the approval of shareholders at the next Annual General Meeting of the Company.

Statement of Corporate Governance Practices (continued)

Corporate Governance Statement (continued)

Principle 5 - Make timely and balanced disclosure

The Company has established policies and procedures designed to ensure compliance with the NSX Listing Rule requirements so that announcements are made in a timely manner, are factual, do not omit material information, are balanced and are expressed in a clear and objective manner so as to allow investors to assess the information when making investment decisions. The Chief Executive Officer and Chief Financial Officer are responsible for interpreting and monitoring the Company's disclosure policy and the Company Secretary is responsible for all communications with the NSX.

NSX announcements will also be published in due course on the Company's website. The Company's Statement of Corporate Governance Policy contains procedures relating to the timely and balanced disclosure.

Principle 6 - Respect the rights of shareholders

The Company aims to keep shareholders informed of the Company's performance and all major developments in an ongoing manner. VentureAxess Group Limited regularly communicates to its shareholders in a timely manner through:

- Relevant disclosures made in accordance with NSX Listing Rule disclosure requirements;
- Annual financial reports which are distributed to those that specifically request a copy;
- Making documents that have been released publicly available on the Company's website; and
- Communicating with shareholders electronically through the Company's web based application.

The Company has requested that the external auditor attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Principle 7 - Recognise and manage risk

Oversight of the risk management function

The Company recognises that it is necessary to undertake activities that involve a level of risk in order to achieve high levels of performance. The Board and Audit Committee are responsible for the oversight of the Group's risk management and control framework.

The size of the Company and the comprehensive nature of its reporting systems have led the Board to conclude that a formal internal audit process would not be cost effective nor reduce risk. There is no formal Risk Management Policy, however the Company is focused on the identification and management of risk including:

- Establishing the Company's corporate level and business level goals and monitoring and implementing strategies to achieve these goals;
- Identifying and measuring risks that might impact upon the achievement of the Company's goals and monitoring for trends and emergent factors;
- Reviewing the half-year reports and other reports required to be lodged with the NSX; and
- Establishing separate project teams to identify risk management strategies and monitoring the risk and implementation strategies for each major company project. The project managers report to the Board on a regular basis.

The Board believes that there are adequate controls to ensure that financial reports provide a truthful and factual position for the Company.

Certification of risk management controls

The Chief Executive Officer and Chief Financial Controller are required to make an annual written statement to the Board with respect to risk management and internal controls.

Principle 8 - Encourage enhanced performance

The Board undertakes an annual review of its performance and the performance of key executives. Directors were initially invited to join the Board on the basis of their experience and skills in relation to the Company's activities.

The performance criteria against which Directors' and executives are assessed align with the Company's objectives. The Board has a responsibility to ensure that executive remuneration is fair and reasonable, having regard to the competitive market for executive talent, structured effectively to motivate and retain valued executives, and designed to produce value for shareholders.

Statement of Corporate Governance Practices (continued)

Corporate Governance Statement (continued)

Principle 9 - Remunerate fairly and responsibly

As VentureAxess Group Limited has a relatively small Board it has not established a formal remuneration committee. The whole Board is responsible for recommending and reviewing the remuneration arrangements for the directors, chief executive officer and senior executive team.

The Nomination and Remuneration Policy requires that a majority of non-executive directors must approve changes to the remuneration or contract terms of Directors, the design of new remuneration packages, equity based remuneration packages, performance based remuneration, any cash-based incentive plans and termination payments to Directors.

It is the objective of VentureAxess Group Limited to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating Directors and key executives fairly and appropriately with reference to relevant employment market conditions. The expected outcomes of the remuneration policy are:

- Retention and motivation of key executives;
- Attraction of quality management to the Company; and
- Performance incentives, which allow executives to share the rewards of the success of the Company.

Executive directors are remunerated by means of a fixed based remuneration. The Company is currently reviewing its remuneration policies and practices and considering the introduction of performance based and equity based remuneration. Non-executive directors are entitled to director's fees. Non-executive directors are not entitled to any retiring allowance payable upon their retirement as a director of the Company. The details of the Directors' and Senior Executives' remuneration are set out in the Directors' Report and in note 22 "Key management personnel disclosures" in the Financial Report.

Principle 10 - Recognise the legitimate interests of stakeholders

The Company recognises its legal and other obligations including its responsibility to act in good faith and with integrity whilst dealing with Company affairs. These responsibilities relate to all stakeholders including clients, customers, suppliers, government, financial institutions, and shareholders and to the community as whole.

The Company is firmly committed to ethical business practices, a safe workplace and compliance with relevant laws including trade practices and fair dealing laws, consumer protection, privacy, employment law, occupational health and safety, equal employment opportunity, superannuation and environmental laws.

As indicated under Principle 3, the Company has established a Code of Conduct to guide compliance with legal and other obligations.

Income Statement

For the year ended 30 June 2009	Notes	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Revenues from continuing operations		241,045	271,470	99,619	48,350
Finance costs		(24,109)	(9,161)	(4,151)	-
Expenses from continuing operations		(4,683,289)	(250,395)	(321,667)	(102,457)
(Loss) before income tax		(4,466,353)	11,914	(226,199)	(54,107
Income tax (expense)/revenue		**-**	-	**-**	-
(Loss) from continuing operations Note 5		**(4,466,353)**	11,914	**(226,199)**	(54,107
Profit attributable to minority equity interest		**(274)**	(643)	**-**	-
(Loss) attributable to members of VentureAxess Group Limited		**(4,466,627)**	11,271	**(226,199)**	(54,107)
			Cents		Cents
(Loss) per share for (loss) attributable to the ordinary equity holders of the Company					
Basic (loss) per share (cents per share)		(0.0378)	0.05	**(0.002)**	
Diluted (loss) per share (cents per share)		(0.0378)	0.05	**(0.002)**	

The above income statements should be read in conjunction with the accompanying notes.

Balance Sheet

As at 30 June 2009	Notes	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Assets					
Current assets					
Cash and cash equivalents	7	21,446	27,686	**286**	6,479
Trade and other receivables	8	61,274	563,805	**334,256**	59,975
Other Assets			-		-
Total current assets		82,720	591,491	**334,542**	66,454
Non-current assets					
Investment in subsidiaries		1,263,633		**5,642,933**	2,351,286
Patents		2,903,267			
Goodwill arising on consolidation			1,953,170		-
Property, plant and equipment	11	866	866		-
Total non-current assets		4,167,766	1,954,036	**5,642,933**	2,351,286
Total assets		4,250,486	2,545,527	**5,977,475**	2,417,740
Liabilities					
Current liabilities					
	12	935,673		**210,193**	
Trade and other payables					
Bank Overdraft	19	27,570	194,205		31,178
Bank Loan	19	185,000			
Total current liabilities		1,148,243	194,205	**210,193**	31,178
Non-current liabilities					
Convertible Notes	19	345,500		**345,500**	
VA Holdings Pty Ltd			68,238	**300,000**	300,000
Related Parties			310,831		-
VentureAxess Capital Limited					194,222
Total non-current liabilities			379,069	**645,500**	494,222
Total liabilities		1,493,743	573,274	**855,693**	525,400
Net assets (liabilities)		2,756,743,	1,972,253	**5,121,782**	1,892,340
Equity					
Contributed equity		7,829,807	4,374,166	**7,829,807**	4,374,166
Accumulated losses	17	(6,883,076)	(2,416,448)	**(2,708,025)**	(2,481,826)
Minority Interest		1,810,012	14,535		-
Total equity		2,756,743	1,972,253	**5,121,782**	1,892,340

The above balance sheets should be read in conjunction with the accompanying notes.

Statements of Changes in Equity

For the year ended 30 June 2009		CONSOLIDATED		PARENT ENTITY	
	Notes	2009 $	2008 $	2009 $	2008 $
Total equity at the beginning of the year		**1,957,718**	**(222,681)**	**1,892,340**	**(222,681)**
Profit / (loss) for the year		**(4,466,627)**	**11,271**	**(226,199)**	**(54,107)**
		(2,508,909)	**(211,410)**	**1,666,141**	**(276,788)**
Option holders equity			-		-
Return of Capital relating to VentureAxess Group Limited Pty Ltd			-		-
Transactions with equity holders in their capacity as equity holders: Contributions of equity, net of transaction costs		**3,455,641**	2,169,128	**3,455,641**	2,169,128
Total equity (deficiency) at the end of the year		**946,732**	1,957,718	**5,121,782**	1,892,340
Total recognised income and expense for the year is attributable to: Members of VentureAxess Group Limited		**(4,466,627)**	11,271	**(226,199)**	(54,107)

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

Cash Flow Statements

For the year ended 30 June 2009	Notes	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Cash flows from operating activities					
Cash receipts from customers (inclusive of goods and services tax)		**475,031**	346,182	**(174,803)**	(1,556)
Receipt of R & D tax concession			-		-
Payment to suppliers and employees (inclusive of goods and services tax)		**(984,828)**	(265,994)	**(341,025)**	(67,258)
Interest paid		**(24,109)**	(9,161)		-
Interest received		**1,023**	726	**141**	23
Net cash (outflow) from operating activities		**(532,883)**	71,753	**(515,687)**	(68,791)
Cash flows from investing activities					
Payment for property, plant and equipment					
Payment for investment intangibles					
Payment (repayment) of security deposit			-		-
Proceeds from sale of property, plant and equipment			-		-
Net cash (inflow) from investing activities			-		-
Cash flows from financing activities					
Proceeds (repayments) from Offer Information Statement			65,842		65,842
Proceeds from issues of shares and other equity securities (net of transaction costs)		**163,994**	-	**163,994**	
Loan Note – acquisition VentureAxess Limited			(300,000)		-
Cash Received – acquisition Medical Science Australia Limited		**113**	180,663		-
Proceeds from Loans		**345,500**	-	**345,500**	-
Bank Loan repayments		**(10,534)**	-		-
Return of capital relating to VentureAxess Group Pty Ltd			-		-
Net cash inflow from financing activities		**499,073**	(53,495	**509,494**	65,842
Net increase (decrease) in cash and cash equivalents		**(33,810)**	12,258	**(6,193)**	(2,949)
Cash and cash equivalents at the beginning of the financial year		**27,686**	9,428	**6,479**	9,428
Cash and cash equivalents at the end of the year		**(6,124)**	27,686	**286**	6,479

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all year presented, unless otherwise stated. The financial report includes separate financial statements for VentureAxess Group Limited as in individual entity and the consolidated entity consisting of VentureAxess Group Limited and its subsidiaries.

(a) Basis of preparation of year financial report

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIRFS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with IFRS
Australian Accounting Standards include AIRFS. Compliance with AIFRS ensures that the consolidated financial statements and notes of VentureAxess Group Limited comply with International Reporting Standards (IFRS). The parent entity financial statements and notes also comply with IFRS except that it has elected to apply the relief provided to parent entities in respect of certain disclosure requirements contained in AASB 132 Financial Instruments: Presentation and Disclosures.

Historical cost convention
These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

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

(b) Principles of consolidation

(i) Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of VentureAxess Group Limited ("company" or "parent entity") as at 30 June 2009 and the results of all subsidiaries for the year then ended. VentureAxess Group Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

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

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

The amounts of $2,903,267 representing patents and the amount of $1,263,633 investments in subsidiaries are values of investments in investee companies made via Medical Science Australia a subsidiary of VentureAxess Group

(i) Subsidiaries (continued)
The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 1(h)).

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

Investments in subsidiaries are accounted for at cost in the individual financial statements of VentureAxess Group Limited.

(ii) Associates
Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies (continued)

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

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

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iii) Joint Ventures
Joint venture operations
The proportionate interests in the assets, liabilities and expenses of a joint venture operation have been incorporated in the financial statements under the appropriate headings.

Joint venture entities
The interest in a joint venture partnership is accounted for in the consolidated financial statements using the equity method and is carried at cost by the parent entity. Under the equity method, the share of the profits or losses of the partnership is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the balance sheet.

Profits or losses on transactions establishing the joint venture partnership and transactions with the joint venture are eliminated to the extent of the Group's ownership interest until such time as they are realised by the joint venture partnership on consumption or sale, unless they relate to an unrealised loss that provides evidence of the impairment of an asset transferred.

(c) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments. The Company only operates in one segment being the Information Technology industry in Australia.

(d) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is VentureAxess Group Limited's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies (continued)

(iii) Group companies
The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or borrowings repaid a proportionate share of such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

The following specific recognition criteria must also be met before revenue is recognised:

- provision of technology services – revenue from provision of technology services is recognised when the economic entity has performed services for the customer and billing for those services has occurred in accordance with contract terms and conditions; and
- interest – interest revenue is recognised on an accrual basis.

(f) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

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

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

VentureAxess Group Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

(g) Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements (continued)

1. **Summary of significant accounting policies (continued)**

(g) Leases (continued)

leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

(h) Business Combinations

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (refer to note 1(t)). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(i) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(j) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 120 days from the date of recognition for land development and resale debtors, and no more than 30 days for other debtors.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies (continued)

(l) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

(l) Non-current assets (or disposal groups) held for sale (continued)

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

(m) Investments and other financial assets

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss
This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(ii) Loans and receivables
Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet.

(iii) Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

(iv) Available-for-sale financial assets
Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies (continued)

(m) Investments and other financial assets (continued)

losses from investment securities.
The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

(iv) Available-for-sale financial assets (continued)
The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(n) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(o) Property, plant and equipment

Land and buildings (except for investment properties are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re valued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are credited to other reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit and loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or re-valued amount, net of their residual values, over their estimated useful lives.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Depreciation of plant and equipment has been over individual useful life of 5-10 years.

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies (continued)

(o) Property, plant and equipment (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(i).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When re-valued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(p) Intangible assets

Expenditure on research activities, undertaken with the prospect of obtaining new technical knowledge and understanding, is recognised in the income statement as an expense when it is incurred.

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(r) Provisions

Provisions for legal claims and service warranties are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(s) Employee benefits

(i) Wages and salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Share-based payments
Where share-based compensation benefits are provided to employees via an employee option plan and an employee share scheme, the following apply:

Shares options granted before 7 November 2002 and/or vested before 1 January 2005
No expense is recognised in respect of these options. The shares are recognised when the options are exercised and the proceeds received allocated to share capital.

Shares options granted after 7 November 2002 and vested after 1 January 2005
The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

Shares options granted after 7 November 2002 and vested after 1 January 2005 (continued)
The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies (continued)

(s) Employee benefits (continued)

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

The market value of shares issued to employees for no cash consideration under the employee share scheme is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares.

(t) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(u) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred except to the extent they are included in the costs of qualifying assets.

(v) Earnings per share

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

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

(w) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of good 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 the item of 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 arising from operating activities are included in the statement of cash flows on a net basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to the ATO, are classified in operating cash flows.

(x) Financial instrument transaction costs

The Group has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 from 1 July 2005. The Group has applied previous Australian GAAP (AGAAP) in the comparative information on financial instruments within the scope of AASB 132 and AASB 139. Under previous AGAAP transaction costs were excluded from the amounts disclosed in the financial statements. Under AIFRS such costs are included in the carrying amounts. At the date of transition to AASB 132 and AASB 139 the adjustment to carrying amounts for the Group was immaterial.

(y) Rounding of amounts

The company is of a kind referred to in Class order 98/0100, issued by the Australian Securities and Investments Commission, relating to the “rounding off” of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest dollar.

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies (continued)

(z) Going concern

This financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activities and realisation of assets and discharge of liabilities in the ordinary course of business.

The company and consolidated entity have incurred a loss from ordinary activities after income tax of ($4,466,353) for the year ended 30 June 2009 (2008: loss of $226,199). The company and consolidated entity were also in a net position of $2,756,743 as at 30 June 2009 (2008: net assets $1,892,340).

The company raised some secured convertible notes of $150,000 to enable the company to continue on to a rights issue to raise more capital for investment and working capital to be able to realise some of the investments that the company owns.

The company fell into hard times following the demise of its former Chairman, Mr. Geoff Mullins. His untimely death left finalization of many projects (including the acquisition of Medical Science Australia Limited and completion of its audit) incomplete with the result that the company was unable to raise fresh capital.

Following execution of the DOCA, funds have been made available to the Administrator for settlement of creditor claims and payment of a final dividend under the Deed of Company Arrangement. This will then allow the restructuring of the company to advance and support the proposed re-listing of the company.

The secured creditors of the company holding $250,000 of secured convertible notes will be issued shares in the company such that they will hold 50% of the then fully diluted capital.

The company is negotiating to acquire the outstanding shares of Credit Elect Pty Ltd and a non binding Heads of Agreement for the acquisition has been signed by the administrator on the 4 June 2010.

Following execution of a deed on 6 April 2010, and pursuant to the terms of the Framework Agreement, funds have now been made available to the Administrator for settlement of creditor claims and payment of a final dividend under the Deed of Company Arrangement.

A dispute over the security held by Bendigo Bank over Medical Science of Australia also to involve a previous director of the company is likely to result in legal action if not resolved by the end of June 2010.

An offer to compromise and remove the debenture to be funded by an external party was not accepted by the bank or the past director, It is likely that litigation will take place after 30 June 2010 and the value of MSA and its investments could be doubtful.

Funds have been put aside by the funder of the DOCA to cover the expected cost of having the debenture held by the bank removed and I joining a previous director of MSA.

All of these investment made are in venture capital companies that need further investment to become viable or get to market. The company is trying to locate listed companies that may be able to purchase these investments either the companies or their intellectual property or patents.

The company has not been paid all its managements fees owed from these investments and the directors believe they will collect these fees owed in due course and upon realisation of these investments in the medium term only if MSA is held as a subsidiary and the bank remove the debenture and forgive the debt that is expected to come into dispute by 30 June 2010.

The company will rely upon a rights issue and the conversion of the unsecured notes to shares at the AGM in order to be able release some of its investments mentioned above so that it can continue as a going concern.

The company is looking to acquire w business in the next 3 months which will be detailed in the rights issue document to be issued following the AGM and the completion of the Half Year accounts to 31 December 20091.

As a result of the financial position of the company outlined above, there is significant uncertainty at present whether the company and consolidated entity will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report.

The continuation of the company and consolidated entity as a going concern is dependent upon their ability to achieve the following:

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements (continued)

(z) Going concern (continued)

- Obtaining additional facilities, funding or capital from financiers, shareholders, directors and/or related parties to enable the company and consolidated entity to achieve a sufficient working cash flow level.
- Realisation of investments
- A potential rights issue to raise new capital to help investment companies become saleable to release owed management fees as well as capital.
- The purchase of a cash flow business for issue of shares
- The generation of future profits by the major underlying business.

In the event that the company or consolidated entity does not achieve its objectives, there is significant uncertainty whether the company or 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 report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the company and consolidated entity not continue as going concerns.

2. Financial risk management

The Group's activities expose it to a variety of financial risks; market risk (including price risk), credit risk, liquidity risk and cash flow risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The liquidity risk has been outlined in note 1z.

The Group has no significant concentrations of credit risk.

Risk management is carried out under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas.

As the Group has no significant interest-bearing assets, long term borrowings and significant cash assets, the Group’s income and operating cash flows are not materially exposed to changes in market interest rates.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

(a) Critical accounting estimates and assumptions

Impairment of Assets
The Group tests annually whether various assets have suffered any impairment, in accordance with the accounting policy stated in note 1.

Income Taxes
The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

(b) Critical judgements in applying entity’s accounting policies

There were no critical judgements made except for the treatment of directors’ options which are outlined in Note 22 Key Management Personnel Disclosures.

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The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements (continued)

5. Profit/(loss) for the year		CONSOLIDATED		PARENT ENTITY	
	Note	2009 $	2008 $	2009 $	2008 $
Profit/(loss) for the year includes the following revenues and expenses:					
Revenues from continuing operations:					
Consulting Fees		99,478	77,019	99,478	44,086
Fund Management Fees		140,544	189,483		-
Software Sales			4,242		4,242
Interest received – unrelated parties		1023	726	141	23
Proceeds from sale of fixed assets			-		-
Debt forgiveness income			-		-
Total revenue from continuing activities		241,045	271,470	99,619	48,351
Expenses from continuing activities					
Audit fees and Accounting		36,767	5,000		-
ASIC fees		15,229	7,027	15,228	-
Borrowing Costs		19,959	9,161		-
Employee benefits			-		-
Consulting fees		107,396	2,049	50,800	19,305
Directors' fees			29,303		-
Depreciation			6,196		-
Insurance		16,384	11,097	14,607	7,803
Salaries and Wages		43,608	47,132		-
Occupancy expenses		55,171	38,022		847
Directors' options			-		-
Legal fees		29,200	2,078	12,696	2,077
Carrying value of assets sold			-		-
Hire of Equipment			-		-
Computer Expenses					-
General administration expenses		132,798	102,491	127,552	
Write Downs		4,100,984			
Subscriptions		35,099		2,797	
Company Registration		44,537		38,661	-
Office Supplies		33,759		32,406	
Printing		13,776		8,340	
Motor vehicle expenses		22,731		22,731	
Total expenses from continuing activities		**4,707,398**	259,556	**325,818**	102,458
Profit/(loss) for the year before tax and minority interest		**(4,466,353)**	11,914	**(226,199)**	(54,107)

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements (continued)

6. Income tax	CONSOLIDATED		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
(a) The components of income tax expense/(revenue):		**-**		**-**
Current tax		-		-
Deferred tax		-		-
Under (over) provision in prior years		-		-
Total Income tax expense/(revenue)		-		-
(b) The prima facie tax on profit/(loss) differs from the income tax provided in the financial statements as follows:				
Total profit/(loss) before income tax	(4,466,353)	11,914	**(226,199)**	(54,107)
At the statutory income tax rate of 30% (2006: 30%)	(1,339,905)	3,574	**(63,859)**	(16,232)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income.				
Amortisation of intangible assets		-		-
Directors' options expense (credit)		-		-
Debt forgiveness income		-		-
Business related capital items		-		-
Write down of investment	(1,118,631)	-		-
	(1,154,174)	3,574	**(67,859)**	(16,232)
Net adjustment to deferred tax assets and liabilities for tax losses and temporary differences not recognised	**(154,174)**	(3,574)	**(67,859)**	16,232
Benefit of research and development tax offset		-		-
Income tax expense/(revenue)		-		-

The income tax benefit has resulted from a research and development tax offset received from the Australian Taxation Office.

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The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements (continued)

7. Current assets – Cash and cash equivalents	CONSOLIDATED		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
Cash at bank and on hand (Note 22) (a)	21,445	9,428	286	9,428

(a) Bank Interest
The bank interest rate for the period for cash at bank was 3.25 % (2008: 6%).

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8. Current assets – Trade and other receivables	CONSOLIDATED		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
Trade debtors – Medical Science Australia Limited	56,835	528,124		-
Sundry Debtors		35,681	**75,345**	-
Other receivables (including GST receivable)	,439	-	**38,675**	19,265
Subsidiaries		-	**220,146**	40,710
	61,274	563,805	**334,256**	59,975

Interest rate risk
Information concerning the effective interest rate and credit risk of both current and non-current receivables is set out in note 20.

9. Current assets – Other assets	CONSOLIDATED		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
Bank guarantee	**20,000**		**20,000**	

The bank interest rate for the period for the bank guarantee was x%.

10. Non-current assets – Deferred expense				
Deferred option expense				

Investment in Subsidiaries	PARENT ENTITY	
	2009 $	2008 $
At 1 July 2008	**2,351,286**	-
Aquired during the year	**3,291,647**	2,351,286
At 30 June 2009	**5,642,933**	2,351,286

11. Non-current assets – Property, plant and equipment	CONSOLIDATED		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
Plant and equipment:	**7,062**			
Opening balance		-		-
On Acquisition of VentureAxess Limited		7,062		-
Disposals		-		-
Closing value	**7,062.**	7062		-
Accumulated depreciation				
Opening balance		-		-
Depreciation for the year	**(6,196)**	(6,196)		-

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements (continued)

Disposals		-		-
Closing value	**(6,196)**	(6,196)		-
Total property, plant and equipment (net)	**866**	866		

12. Current liabilities – Payables				
Trade payables and accruals	**935,673**	194,205		31,178
	935,673	194,205		31,178

Offer Information Statement

13. Current liabilities – Provisions				
Employee benefits- annual leave				

14. Non-current liabilities				
Owing to related parties		310,831		
VA Holdings Pty Ltd		68,238		300,000
Medical Science Australia Limited				
– - Converting Loan Note				
- Other Loan				
		379,069		300,000

15. Contributed Equity	PARENT ENTITY 2009		PARENT ENTITY 2008	
	Number of Shares	**$**	**Number of Shares**	**$**
Issued and paid up capital				
Ordinary shares fully paid	**118,043,018**		29,745,679	4,374,166
Movements in shares on issue				
On issue at the beginning of the year	**29,745,679**	**4,374,166**	14,862,911	2,205,038
Issued on acquisition of MSA Limited		**3,291,647**	13,675,240-	2,051,286-
Loan Note conversion			693,333-	52,000-
Issued under Offer Information Statement		**163,994**	514,195-	65,842-
Distribution of VentureAxess Group Limited			-	
Issue Costs			-	
On issue at end of the year	**118,043,018**	**7,829,807**	29,745,679	4,374,166

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements (continued)

Options to acquire issued capital

Each option entitles the holder to purchases one share. The names of all persons who currently hold share options, granted at any time, are entered in the register kept by the Company, pursuant to Section 168 of the Corporations Act 2001, which may be inspected free of charge. Persons entitled to exercise these options have no right, by virtue of the options, to participate in any share issue by the parent entity or any other body corporate.

Movement in the numbers of options to acquire share capital are as follows:	**Exercise Price**	**Number of Options**	
	20 cents	**2009**	**2008**
On issue at the beginning of the year		**17,876,421**	8,865,029
Issued during the year		**24,203,793**	9,011,392
On issue at the end of the year		**42,080,214**	17,876,421

Expiry Date:

31 December 2009 convertible at 20 cents (VAXO)

Expiry Date	**Issue Price of Shares**	**Number of Shares Under Option**
31 December 2009	$0.20	25,080,214

	2009 $	**2008 $**
Loss effect of market condition not satisfied		
Option holders' equity at end of financial year	**Nil**	Nil

As market conditions for the vesting of these options were not attained, and the persons entitled to these options have left the Company the Option Holders Equity has been written back to the profit and loss account, net of prepayments carried in debtors.

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements (continued)

17. Accumulated Losses

	CONSOLIDATED		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
Balance at beginning of year	**(2,416,448)**	(2,427,719)	**(2,481,826)**	(2,427,719)
Net profit (loss) attributable to members of VentureAxess Group Limited	**(4,466,627)**	11,271	**(226,199)**	(54,107)
Balance at end of year	**(6,883,075)**	(2,416,448)	**(2,708,025)**	(2,481,826)

18. Commitments

	CONSOLIDATED		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
(a) Lease commitments: Group company as lessee				
Commitments in relation to leases contract for at the reporting date but not recognised as liabilities, payable:				
Within one year		72,507		-
Later than one year but not later than five years		22,201		-
Later than five years		-		-
	Nil	94,708	**Nil**	-

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements (continued)

19. Interest rate risk

The Group's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following tables:

		Floating interest rate $	1 year or less $	Over 1 to 2 years $	Over 2 to 3 years $	Over 3 to 4 years $	Over 4 to 5 years $	Over 5 years $	Non interest bearing $	Total $
Financial assets										
Trade and other receivables	**2009**	**—**	**—**	**—**	**—**	**—**	**—**	**—**		
	2008	—		—	—	—	—	—	**563,805**	**563,805**
Other assets	**2009**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**-**	**-**
	2008	—	—	—	—	—	—	—		
Total	**2009**	**—**	**—**	**—**	**—**	**—**	**—**	**—**		
	2008	—	—	—	—	—	—	—	**563,805**	**563,805**
Weighted average interest rate		—	—	—	—	—	—	—	—	—
Financial liabilities										
Payables & Loans	**2009**	**—**	**212,570**	**345,500**	**—**	**—**	**—**	**—**		**558,070**
	2008	—	—	379,069	—	—	—	—	194,205	573,274
Total	**2009**	**—**	**212,570**	**—**	**—**	**—**	**—**	**—**		
	2008	—	—	379,069	—	—	—	—	194,205	573,274
Weighted average interest rate		—	—		—	—	—	—	—	**7.2%**
Net financial assets (liabilities)	**2009**	**—**	**—**		**—**	**—**	**—**	**—**		
	2008	—	—	**(379,069)**	—	—	—	—	369,600	(9,469)

Interest is only earned on cash deposits.

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements (continued)

20. Key management personnel disclosures

(a) Directors

The following persons were directors of VentureAxess Group Limited during the financial year:

(i) Chairman- executive
Geoff Mullins – appointed 1 May 2007 Deceased 18 July 2009
Karalyn Day – appointed 1 May 2007

(ii) Non Executive directors
Emyr Jones – appointed 1 May 2007 Resigned 22 July 2009
Richard Green appointed
Ken Edmonds appointed 5 June 2009

(b) Other key management personnel

No other persons had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

(c) Key Management personnel compensation

	CONSOLIDATED		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
Short-term employee benefits		-		-
Post-employment benefits		-		-
Share-based payments		-		-
	Nil	-	Nil	-

The Company has taken of the relief provided by ASIC Class Order 06/50 and has transferred the detailed remuneration disclosures to the Directors' Report. The relevant information can be found in sections A-D of the remuneration report on pages 6 – 10.

Equity instrument disclosures to key management personnel

(i) Options provided as remuneration and shares issued on exercise of such options

Details of options provided as remuneration together with the terms and conditions of the options can be found in section D of the Remuneration report of Directors' Report on page 9.

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements (continued)

20. Key management personnel disclosures (continued)

Option Holdings

The number of options over ordinary shares in the company had during the financial year by each Director of Jab Technology Limited and other key management personnel of the Group, including their personally related parties are set out below:-

Name:		Balance at the start of the year	Granted during the year as compensation	Sold during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Directors:						
G Mullins	**2009**		**-**	**-**	**-**	**-**
	2008		**1,913,023**		**1,913,023**	**1,913,023**
E Jones	**2009**	**-**	**-**	**-**	**-**	**-**
	2008		**1,720,000**		**1,720,000**	**1,720,000**
K Day	**2009**	**-**	**-**	**-**	**-**	**-**
	2008		**486,977**		**486,977**	**486,977**

There were no other key management personnel during the year

Share Holdings

The number of shares in the Company held during the financial year by each Director of VentureAxess Group Limited and other key management personnel of the Group, including their personally related parties are set out below. There are no shares granted during the period as compensation.

Name		Balance at the start of the year	Acquired/(Sold) during the year	Balance at end of the year
Directors:				
G Mullins	**2009**	-	-	-
	2008		2,236,442	2,236,442
E Jones	**2009**	-	-	-
	2008		1,824,708	1,824,708
K Day	**2009**	-	-	-
	2008		884,351	884,351

There were no other key management personnel during the year.

Other director transactions

21. Remuneration of auditors

	CONSOLIDATED		PARENT ENTITY	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
During the year the auditors of the parent company and its related practices earned the following remuneration:				
Northstar Accountants		5,000		
Audit or review of financial reports of the entity or any entity in the consolidated entity (2008 – half-year accounts only)				
Taxation and other services				
Northstar accountants) (2009 – year end audit only)				

22. Contingent assets and liabilities

(a) Contingent liabilities

The parent entity and Group are not aware of any contingent liabilities that need to be disclosed as at 30 June 2009.

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements (continued)

(b) Contingent assets

The parent entity and Group are not aware of any contingent assets that need to be disclosed as at 30 June 2009.

23. Investments in controlled entities as at 30 June 2009

	Country of Incorporation and Principal Country of Operation	Main Business	Percentage Ownership	
			2009 %	2008 %
Controlled entities				
VentureAxess Limited	**Australia**	**Consultants**	**98.8%**	98.8%
VentureAxess Fund Managers Limited (a wholly owned subsidiary of VentureAxess Limited)	**Australia**	**Consultants**	**98.8%**	98.8%
Jab Creative Pty Ltd	**Australia**	**Dormant**	**100%**	100%
RadioCity.com.au Pty Ltd	**Australia**	**Dormant**	**De Registered**	100%

The financial years of all controlled entities are the same as that of the parent. All controlled entities operate solely in their place of incorporation.

24. Employee benefits

	CONSOLIDATED		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
Employee benefit and related on-cost liabilities				
Included in trade creditors		43,171		-
Included in accruals		-		-
Provision for employee benefits – current		-		-
Provision for employee benefits – non-current		-		-
Aggregate employee benefit and related party on-costs liabilities		43,171		-

As explained in note 1(s) amounts for long service leave that are expected to be settled more than 12 months from the reporting date are measured at their present values. The average number of employees during the year was 2 (2008 – 2).

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements (continued)

25. Reconciliation of Profit from ordinary activities after income tax to net cash flow (used in) operating activities

(a) Reconciliation of cash

For the purpose of the Statements of Cash Flows, cash includes cash on hand and in banks and deposits at call, net of bank overdrafts. Cash at the end of the year as shown in the Statements of Cash Flows is reconciled to the related items in the Statement of Financial position as follows:

	CONSOLIDATED		PARENT ENTITY	
	2009	2008	2009	2008
	$	$	$	$
Cash at bank and on hand (Note 7)	**21,446**	27,686	**286**	6,479
Bank Overdraft	**(27,570)**			
Net Overdrawn	**(6,124)**	27,686	**286**	6,479

The bank interest rate for the period for cash at bank was % (2008: %).

(b) Reconciliation of net cash absorbed by operating activities to operating loss after Income tax:

Net profit (loss)	**(4,466,353)**	11,914	**(226,199)**	(54,107)
Adjustments for non-cash income and expense items				
Depreciation and amortisation of non current assets		6,196	**-**	
Write Down of investments	**4,100,984**	-	**-**	
Loss on sale of non current assets		-	**-**	
Directors options		-	**-**	
Changes in assets and liabilities:				
(Increase)/decrease in assets:				
Decrease/(increase) in trade and other receivables	**235,009**	75,438	**(274,281)**	(49,884)
(Decrease)/increase in liabilities:				
(Decrease)/increase in creditors and accruals	**(402,523)**	(21,795)	**(15,207)**	35,200
(Decrease)/increase in employee entitlements				
Net operating cash flows	**(532,883)**	71,753	**515,687))**	(120,791)

26. Franking amount

The balance in the franking account at year end for parent account and economic entity was nil.

27. Events occurring after the balance sheet date

The company raised some secured convertible notes of $150,000 to enable the company to continue on to a rights issue to raise more capital for investment and working capital to be able to realise some of the investments that the company owns.

The directors of VentureAxess Limited put the company into administration on the 28 April 2010.

A Deed of company Arrangement was proposed by Custodian Company Pty Ltd a company controlled by a director David M Hickie, this deed was accepted by creditors on the 2 June 2010.This will then allow the restructuring of the company to advance and support the proposed re-listing of the company.

The secured creditors of the company now holding $250,000 of secured convertible notes will be issued shares in the company such that they will hold 50% of the then fully diluted capital with no one note holder having in excess of 20% of the company.

The above cash flow statements should be read in conjunction with the accompanying notes.

28. Earnings per share

	CONSOLIDATED 2009	2008
Basic earnings /(loss) per share (cents per share)	**(0.0378)**	0.05
Diluted earnings/ (loss) per share (cents per share)	**(0.0378)**	0.05
Earnings used in calculating of basic/ (loss) earnings per share	(4,467,175	$11,271
Earnings used in calculating of diluted earnings/ (loss) per share	(4,467,175)	$11,271

	CONSOLIDATED 2009 Number	2008 Number
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used in the dominator in calculating basic earnings /(loss) per share	**118,043,018**	24,546,085
Weighted average number of ordinary shares used in the dominator in calculating diluted earnings/ (loss) per share	**118,043,018**	24,546,085

At the end of the year, the economic entity had 25,080,214 options on issue with an exercise price of 20 cents expiring 31 December 2009. The options have not been included in the diluted weighted earning/ (loss) per share calculation as VentureAxess Group Limited's share price has been trading well below the exercise price of 20 cents per share.

29. Related party transactions

(a) Parent entity

The ultimate parent entity is VentureAxess Capital Limited

(b) Subsidiary

Interests in subsidiaries are set out in note 23.

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 20.

(d) Transactions with related parties

The following transactions occurred with related parties:

	CONSOLIDATED 2009 $	2008 $	PARENT ENTITY 2009 $	2008 $
Superannuation contributions				
Contribution to superannuation funds on behalf of employees				

There were no loans to or from related parties at the end of the financial year other than as set out in Note 14.

In the Directors' opinion:

a) the financial statements and notes set out in pages 18 to 43 are in accordance with the Corporations Act 2001 including:

   I. Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   II. Giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2009 and of their performance, as represented by the results of their operations, changes in equity and their cash flows, for the financial year ended on that date; and

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

c) the audited remuneration disclosures set out on pages 6 to 11 of the Directors' Report comply with Accounting Standards AASB 124 *Related Party Disclosures and the Corporations Regulations 2001.*

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

David M Hickie

Signed on behalf of

Richard Green

Chairman

Sydney, 9 June 2010

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VENTUREAXESS GROUP LIMITED ABN 42 087 426 953
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VENTUREAXESS GROUP LIMITED

Report on the Financial Report

We have audited the accompanying financial report of VentureAxess Group Limited (the company) and VentureAxess Group Limited and Controlled Entities (the Consolidated Entity), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the director's declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Director's Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

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

VENTUREAXESS GROUP LIMITED ABN 42 087 426 953
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VENTUREAXESS GROUP LIMITED

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of VentureAxess Group Limited on 3 November 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

Basis of Qualified Auditor's Opinion

Uncertainty Regarding Continuation as a Going Concern

The directors are of the opinion that the ability of the consolidated entity to continue as a going concern is dependent on the continued availability of working capital, which is dependent on the successful completion of future capital raisings, and or from receipt of funds from sales of investments and or other future capital raising or trading activities. The company is currently under administration. The outcome of the administration process will determine the consolidated entity's ability to continue as a going concern. The consolidated entity's subsidiary Medical Science Australia is expected to be involved in litigation concerning a bank guarantee held by the entity. The outcomes of these proceedings have the potential to affect the consolidated entity's ability to continue as a going concern.

VENTUREAXESS GROUP LIMITED ABN 42 087 426 953
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
VENTUREAXESS GROUP LIMITED

Inherent Uncertainty Regarding Valuation of Certain Venture Stage Investments

The directors have valued certain venture stage investments based on the present values of cash flows forecast to arise from the investment in the future. Forecast cash flows are based on assumptions regarding future events, which, at the date of this financial report, are the Directors expectation of what will take place. Given the nature of these investments the result's are highly unpredictable. Actual future cash flows maybe different from those forecast, and accordingly, the present value of those cash flows may differ from the values of investments valued using this methocology in this financial report. The consolidated entity's subsidiary Medical Science Australia is expected to be involved in litigation concerning a bank guarantee held by the entity. The outcomes of these proceedings have the potential to affect the value of investments held by the entity as they may impede the funding required for the investments to realise their potential value.

Qualified Auditor's Opinion

In our opinion, except for the omission of information included in the preceding paragraphs:

a. the financial report of VentureAxess Group Limited and VentureAxess Group Limited and Controlled Entities is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the company and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

   ii. complying with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

VENTUREAXESS GROUP LIMITED ABN 42 087 426 953
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
VENTUREAXESS GROUP LIMITED

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

Name of firm: Northstar Accountants

Name of Auditor: Andrew Derek Stanning

Address: Level 2, 100 Bay Road Waverton NSW 2060

Dated this 7th **day of** June ,2010

Shareholder Information as at 30 June 2009 update

Shares and options in VentureAxess Group Limited are quoted on the National Stock Exchange (NSX Codes "VAX" & "VAXO")

The 20 largest holders of each class of equity securities in the company as at 30 June 2009 are:

	SHARES		OPTIONS	
Holder Name	**Balance at 30-06-2009**	**%**	Numbers	%
VENTURE AXESS CAPITAL LIMITED	10,667,620	9.037	7,272,487	13.427
MR EMYR WYN JONES	10,231,156	8.667		
MR EMYR WYN JONES <JONES FAMILY PSF A/C>	6,337,447	5.369	210,161	0.388
V A HOLDINGS PTY LTD	5,700,000	4.829	3,000,000	5.539
VA1 PTY LTD	4,745,218	4.020		
NOBLE INVESTMENTS PTY LTD	3,762,500	3.187		
EVALON INVESTMENTS PTY LTD	3,383,334	2.866		
MR GEOFF MULLINS	2,783,308	2.358	2,236,364	4.129
ANZ NOMINEES LIMITED <CASH INCOME A/C>	2,705,321	2.292	1,339,168	2.473
BERCOL HOLDINGS PTY LTD <SUPER FUND A/C>	2,100,000	1.779		
JAILAW PTY LTD	2,100,000	1.779		
MR BRIAN SWAN & MRS ELIZABETH MARGARET SWAN <PAULINA BUNNING A/C>	1,750,000	1.483		
MR WILLIAM JOHN OSBORNE	1,557,787	1.320		
MR EMYR JONES <JONES FAMILY PSF A/C>	1,491,375	1.263	3,845,000	7.099
MR JASON AGAPIOU	1,426,341	1.208		
MR ROBERT SLADE FORBES	1,398,549	1.185	218,191	0.403
MRS NONGKRAN OSBORNE	1,326,377	1.124		
MS LAURIE KOBLER <KOBLER SUPER FUND A/C>	1,316,667	1.115	600,000	1.108
TECHSTART AUSTRALIA PTY LTD	1,166,667	0.988		
	73,949,667	62.646		
Total Issued Capital	**118,043,018**			
NOBLE INVESTMENTS PTY LTD <NOBLE INV S/F CFL3 ALL A/C>			2,700,000	4.985
MR EMYR JONES			1,005,000	1.856
MS CHRISTINE ANNE MIDDLETON			900,000	1.662
MR PETER O'KELLY			606,187	1.119
MS KARALYN DAY			486,977	0.899
WILLIAM OSBORNE & NONGKRAN OSBORNE			400,000	0.739
MR DONALD DOUGLAS BROWN			278,250	0.514
LEADENHALL AUSTRALIA LIMITED			261,810	0.483
MS ANNE TAN SOK LANG			214,286	0.396
DCSI PTY LTD <DCSI INVESTMENT A/C>			156,250	0.288
		Total	50,730,131	93.665
		Issued Capital	**54,161,438**	

The listed options are exercisable at 5 cents, 10 cents and 20 cents each on or before 31 December 2009 or 30 June 2014