VENTUREAXESS GROUP LIMITED

A.B.N. 42 087 426 953

30 June 2012

Company Directory

Directors

Richard Green	Non-Executive Chairman (Appointed 21 April 2008)
David Hickie	Non -Executive Director (Appointed 22 October 2009)
Simon Van Assche	Non-Executive Director (Appointed 22 October 2009 Resigned 6 August 2012)
Charles Wantrup	Non-Executive Director (Appointed 17 November 2009)
Christine Hicks	Non-Executive Director (Appointed 6 August 2012)

Company Secretary

David Hickie (Appointed 25 May 2011 Resigned 2 May 2012)
Bruce Andrew (Appointed 2 May 2012)

Registered Office

Level 7
160 Queen Street
Melbourne Vic 3000

Postal Address:

Level 7
160 Queen Street
Melbourne
AUSTRALIA

Telephone: 03 9670 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

C W S Sincock & Co
Level 4
112 Wellington Parade
East Melbourne VIC 3000

Stock Exchange Listing

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

ANNUAL REPORT 30 JUNE 2012

The Board of Directors of VentureAxess Group Limited ("the Company" or " VAX") presents its report on the consolidated entity (referred to hereafter as "the Group" or "Consolidated Entity") consisting of VAX and its controlled entities for the financial year ended 30 June 2012.

Directors
The names and details of the directors of VAX in office at the date of this report are:

Richard Green
Non-Executive Chairman

Richard has been actively involved over a number of years in conducting numerous capital raisings, company floats and restructures in Australia and the United Kingdom. This includes transforming the Pharmacy College of Victoria from a very small lab based consultancy into a company that now has a market capitalisation of over $80 million. He has also been an active investor, director and chairman of several corporations. He is currently the Chairman of NewSat which is an ASX listed company.

Appointed to the Board on 21 April 2008.

Charles Wantrup
Non-Executive Director

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.

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.

David worked for the Queensland and Federal Governments in assisting the setting up of the Cape York Financial Projects Limited to arrange 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.

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.

Appointed to the Board on 22 October 2009

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Simon Van Assche
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, securitisation, 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 on 22 October 2009. Resigned 6 August 2012.

Christine Hicks
Executive Director
B. Bus (Prop), FAPI, SA Fin, MAICD

Christine has over twenty five years of experience in Australia and the UK in the investment management industry including property and mortgage trust portfolio management; strategic asset planning; investment analysis and research and project development.

Christine provides corporate advisory services as an authorised representative of VentureAxess Fund Managers Limited (AFSL 266712) and has also operated an independent consultancy since 1998 providing advice and expertise to both the private and public sectors.

Over the past 10 years, Christine has provided advice on the development of a high technology hospital at Hurstville with a construction and technology cost of $180m; carried out analysis and investment rating of property funds and syndicates for Property Investment Research Pty Limited; and has also undertaken a number of strategic projects for NSW Government.

Previously at Global Funds Management, Christine was involved in the reconstruction of the collapsed Estate Mortgage Group portfolio; recovery of property and mortgage assets and funds owed to the banks and over 56,000 investors; and the successful ASX listing of the portfolio as the Meridian Investment Trust.

Her experience has been gained with organisations such as NSW Government Department of Finance & Services, Australia Post, Global Funds Management, National Mutual (now AXA), Commonwealth Bank of Australia, Brick Securities Limited, Permanent Trustee Company Limited and the former State Bank of Victoria.

Christine is a Director of Lion Advantage Limited and a Non-Executive Director of VentureAxess Group Limited; VentureAxess Fund Mangers Limited; and Island Concepts Group Limited. She is also a Fellow Member of the Australian Property Institute; a Senior Associate Member of the Financial Services Institute of Australasia; a Member of the Australian Institute of Company Directors; and a Licensed Real Estate Agent (NSW).

Appointed to the Board on 6 August 2012.

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On behalf of the Board of VAX, I am pleased to report on the activities of the Company over the last 12 months.

PRINCIPAL ACTIVITIES

VAX is an Australian company which provides Funds Management and Corporate Advisory Services. VAX is listed on the National Stock Exchange of Australia (NSXA - see **www.nsxa.com.au** – stock code: VAX).

For the twelve month period ended 30 June 2012 the Company made a loss after tax of ($164,855). (2011 loss after tax: $1,594,079).

To date, the Company has conducted a business of advising emerging businesses in Australia and making or arranging venture capital investment.

Services range from corporate advisory and capital raising to IPO support, direct investment and funds management. Its subsidiary VentureAxess Funds Management Ltd (VAFM) holds a Funds Management licence (wholesale licence) from ASIC.

The Company acquired Medical Science Australia Pty Ltd (MSA) in September 2008. At that time MSA was a Pooled Development Fund (PDF). As a PDF it was granted tax concessions in respect of investments in small businesses, but was permitted to invest only in minority shareholdings. The Directors have been attempting to sell these investments. Sales negotiations have not been concluded to date.

Existing investments in the five companies Lumitex, Xemplex, HAT, ARM and Ceebron, are considered by the Directors as realisable with some assistance of compliance listings on the NSX in due course.

The Company raised $500,000.00 by way of converting note in order to enable VAFM to upgrade its license and undertake the management of distressed managed investment schemes (MIS) and funds.

The Company was re-quoted on the National Stock Exchange (NSX) on the 28 May 2012 after lodgment of Appendix 1 for re-quoting.

VAFM will focus on asset class opportunities that facilitate control of funds under management (FUM), funds under advice (FUA) and partner infrastructure for the management and delivery of financial services and other essential industry services.

The Company proposes to seek appointment to manage distressed MIS and funds. It proposes to issue Redeemable Converting Preference Shares (RCPS) to the members of these distressed MIS and funds in exchange for their present interests in the funds in order to provide liquidity to these members through quotation of the RCPS. This will create a market for these interests and it is expected that liquidity will be created through the pricing mechanism. RCPS will be linked to the current value of the underlying assets of these distressed schemes or funds. These RCPS will be convertible into ordinary shares in the capital of the company based on the same underlying asset values.

The Australian Financial Services License of VAFM is currently being upgraded to include retail advice and additional directors who have suitable qualifications to become additional Responsible Managers for the purpose of giving advice will be appointed to the Board of VAFM. The application to upgrade the AFSL to retail general advice was lodged with ASIC by Know Compliance retained by the board of VAFM and VAX

Over the next 24 months the Company aims to achieve:

1) The remediation of impaired managed investment schemes or funds and other distressed wealth management products with assets under management.

2) The acquisition of financial services and advisory infrastructure and wealth services businesses and databases with funds and/or assets under advice.

3) The commercial application of 'education and health services' related intellectual property and innovation.

Likely developments and expected results of operations

A preliminary agreement has also been reached, under heads of agreement between VAX and PT Aim Trust, a registered fund manager and stock broker in Indonesia to retain VAFM to arrange listings of Indonesian companies (generally listed on the Jakarta Stock Exchange) utilizing the VAX shareholder base. At present there are four potential such listings. The web site of PT Aim Trust is www.aimtrust.co.id

VAFM is currently renewing its Nomad Status with the NSX in order to manage the listings introduced by Direct World Capital Pty Ltd (DWC). The Chairman of DWC, Walter Kaminski, is also Chairman of PT Aim Trust. DWC has been granted a corporate authority from VAFM as a wholesale corporate advisor with offices in Sydney and Jakarta.

DWC are receiving all the potential listings and are vetting each before preparing the applications for compliance listings with the assistance of Know Compliance in relation to compliance matters and Wantrup and Associates, lawyers for VAFM and VAX.

The Company's ongoing revenue streams will be from compliance listings, issue of RCPS to provide liquidity to investors in distressed managed investment schemes and building of a unique 21st century financial service business .

Two Year Summary of Performance

As the Company listed on 16 September 2005, only 30 June 2011 & 2012 figures have been included.

	2012	2011
	$	$
Gross Revenue	211	47,118
Net Profit (Loss) before tax	(164,855)	(1,594,079)
Total Assets	3,502, 200	3,040,972
Total Liabilities	(671,265)	666,283
Shareholders' funds	2,830,935	2,374,689
Earnings (loss) per share (AUD$)	(0.00045)	(0.005)
Dividends per share	Nil	Nil
Net tangible Assets(deficiency) per share (AUD$)	0.00767	0.007

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Matters subsequent to the end of the financial year

VAX and VAFM are currently in the process of assisting Island Concepts Group Limited (ICG) achieve a compliance listing on the National Stock Exchange. ICG is part of the Island Regency Group Limited which operates a real estate and property sales brokerage in both Hong Kong and Bali, Indonesia.

ICG holds a strategic investment of 4.9% in PT Island Concepts Indonesia Tbk, a public corporation listed on the Indonesian Stock Exchange ("IDX") whose securities are quoted under the ticker symbol "ICON". ICON operates the Bali Island Villa & Spa Resort in Seminyak, Bali and through its subsidiary PT Patra Supplies and Services, operates as a commercial caterer with customers in the mining, manufacturing, and oil and gas business sectors throughout Indonesia.

ICG has issued 1,948,000 shares at 20c per share on the 31 July 2012 equating to value of $389,600 to VAX for assisting in the listing of ICG.

VAFM believes ICG now has sufficient shareholder base and asset base to apply for compliance listing. The company is now completing the financial audit over the coming weeks in order to move towards the compliance listing.

VAX & VAFM are also committed to three other compliance listings introduced by Walter Kaminski, Chairman of PT Aim Trust, which is a registered Fund Manager in Indonesia. These potential listings are currently progressing through due diligence. These compliance listings are for offshore resource based companies of significant value one of which has been in production for 11 months. Agreements have been executed by Direct World Capital as a corporate adviser to VAFM and may add, subject to satisfactory due diligence and compliance listings, value in equity and fees to VAX.

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 under option at the date of this report are as follows:

Expiry Date	Issue Price of Shares	Number of Shares Under Option
30 June 2014	0.05cents	25,000,000
31 August 2014	0.05cents	35,000,000
30 August 2012	0.02 cents	50,000,000

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

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
Richard Green	4	4	2	2
David Hickie	4	4	2	2
Charles Wantrup	3	4		
Simon Van Assche	4	4		

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' 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
David Hickie	14,339,162		25,000,000
Richard Green	8,123,833		19,000,000
Charles Wantrup	3,645,866		10,000,000
Simon Van Assche	33,726,576		17,500,000
Christine Hicks	7,060,011		

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.

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 VAX and its controlled entities are set out in the following tables.

The key management personnel of the Group are the Directors of VAX 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:

			Post-employment		
Specified directors		**Salary and/or Fees $**	**Benefits Superannuation $**	**Equity-based benefits $**	**Total $**
Richard Green (Non-Executive Director)	**2012**	-	-	-	-
David Hickie (Non-Executive Director)	**2012**	**10,000**	-	-	-
Charles Wantrup (Non-Executive Director)	**2012**	**36,459**	-	-	-
Simon Van Assche (Non-Executive Director)	**2012**	-	-	-	-
Total remuneration	**2012**	**46,459**		**Nil**	**Nil**
	2011	Nil		50,000,000	Nil

Remuneration report (continued)

				PARENT ENTITY
Other key management personnel	Salary & Fees $	Post-employment benefits Superannuation $	Equity-based benefits $	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

David Hickie has a Consultancy Contract via Custodian Company Pty Ltd for the provision of consultancy services in relation to managed investment schemes.

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").

As at the date of this report the Directors' interests and nature in shares and options issued by the Company were as set out in this report.

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:

Richard Green – appointed 21 April 2008
David Hickie – appointed 22 October 2009

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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.

Tax consolidation

Effective 4 September 2004, for the purposes of income taxation, VAX 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.

Corporate Governance

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

Appointment of Auditors

CWS Sincock and Co was appointed as auditors at the last Annual General Meeting.

Auditor's independence

Section 307C of the *Corporations Act 2001* requires the Company's auditors, C. W. Sincock, to provide the Director with a written independence declaration in relation to their review of the financial report for the year ended 30 Jun 2012. The written Auditor's independence declaration is attached to the Directors' Report and forms part of thi Directors' Report.

Rounding

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

Richard Green
Chairman

Melbourne

17 September 2012

CWS SINCOCK & CO
CHARTERED ACCOUNTANTS

7th September, 2012

To the Board of Directors
Ventureaxess Group Limited
Level 7, 160 Queen Street
MELBOURNE VIC 3000

Dear Board Members

Re: Ventureaxess Group Limited

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

As the partner responsible for the audit of the financial statements of Ventureaxess Group Limited for the year ended 30th June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the audit independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

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

Yours sincerely

CWS – Sincock & Co
Chartered Accountants

R J Sincock
Partner

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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 to be relisted on the National 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 four 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 considered independent, and 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

Richard Green was appointed as the Chairman 18 July 2009.

Statement of Corporate Governance Practices (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.

Statement of Corporate Governance Practices (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)

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 2012		CONSOLIDATED		PARENT ENTITY	
	Notes	2012 $	2011 $	2012 $	2011 $
Revenues from continuing operations		211	47,118	211	
Finance costs					
Expenses from continuing operations		(165,066)	(1,641,197)	(165,066)	(464,220)
(Loss) before income tax		(164,855)	(1,594,079)	(164,855)	(464,220)
Income tax (expense)/revenue					
(Loss) from continuing operations		**(164,855)**	(1,594,079)	**164,855)**	**(464,220)**
Profit attributable to minority equity interest					
(Loss) attributable to members of VentureAxess Group Limited		**(164,855)**	(1,594,079)	**(164,855)**	**(464,220)**
(Loss) per share for (loss) attributable to the ordinary equity holders of the Company					
Basic (loss) per share (cents per share)		(0.00045)	(0.005)	(0.00045)	(0.014)
Diluted (loss) per share (cents per share)		(0.00045	(0.005)	(0.00045)	(0.014)

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

BALANCE SHEET As at 30 June 2012		CONSOLIDATED		PARENT ENTITY	
	Notes	2012 $	2011 $	2012 $	2011 $
Assets					
Current assets					
Cash and cash equivalents	6	385,173	172	385,086	85
Trade and other receivables	8	25,000		25,000	
Other Assets					12,181
Total current assets		410,173	172	410,086	12,266
Non-current assets					
Investments in related entities		3,040,800	3,040,800	1,012,919	4,563,697
Unsecured loans		51,227		43,954	
Property, plant and equipment					
Total non-current assets		3,092,026	3,040,800	1,056,873	4,563,697
Total assets		**3,502,200**	**3,040,972**	**1,466,959**	**4,575,963**
Liabilities					
Current liabilities					
Trade Payables and Accruals	11	149,185	210,913	(13,680)	42,558
Bank Overdraft Bank Loan	17 17	80,370 185,000	80,370 185,000		
Total current liabilities		**414,555**	**476,283**	(13,680)	42,558
Non-current liabilities UnsecuredLoans UnsecuredConvertible Notes	17	66,710 190,000	190,000	41,726	
		256,710	**190,000**	**41,726**	
Related Parties					
VentureAxess Limited	13			157,189	157,189
Total non-current liabilities		**256,710**	**190,000**	**157,189**	**157,189**
Total liabilities		**671,265**	**666,283**	**185,235**	**199,747**
Net assets (liabilities)		**2,830,935**	**2,374,689**	**1,281,724**	**4,376,216**
Equity					
Contributed equity	14	8,508,611	8,387,511	4,957,874	8,387,511
Revaluation Reserve Converting Notes		1,441,588 500,000	1,441,588	500,000	
Accumulated losses	15	(7,619,265)	(7,454,410)	(4,176,150)	(4,011,295)
Total equity		**2,830,935**	**2,374,689**	**1,281,724**	**4,376,216**

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

Statements of Changes in Equity

For the year ended 30 June 2012		CONSOLIDATED		PARENT ENTITY	
	Notes	2012 $	2011 $	2012 $	2011 $
Total equity at the beginning of the year		2,374,689	2,488,625	4,376,216	4,432,732
Profit / (loss) for the year		(164,855)	(1,594,079)	(164,855)	(464,220)
		2,209,835	894,546	4,211,362	3,968,512
Share Placement Converting notes		121,100 500,000		121,100 500,000	
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			1,480,143	(3,550,777)	407,704
Total equity (deficiency) at the end of the year		2,830,935	2,374,689	1,281,685	4,376,216
Total recognised income and expense for the year is attributable to: Members of VentureAxess Group Limited		(164,855)	(1,594,079)	(164,855)	(464,220)

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 2012		CONSOLIDATED		PARENT ENTITY	
	Notes	2012 $	2011 $	2012 $	2011 $
Cash flows from operating activities					
Cash receipts from customers (inclusive of goods and services tax)			119,957		
Receipt of R & D tax concession					
Payment to suppliers and employees (inclusive of goods and services tax)		(165,833)	(24,584)	(165,833)	(92,401)
Interest paid		(19,000)	(13,313)	(19,000)	
Interest received					
Net cash (outflow) from operating activities		(184,833)	82,060	(184,833)	(92,401)
Cash flows from investing activities					
Payment for property, plant and equipment					
Payment for converting note		(51,266)		(51,266)	
Payment (repayment) of security deposit					
Proceeds from sale of property, plant and equipment					
Net cash (inflow) from investing activities		(51,266)		(51,266)	
Cash flows from financing activities					
Proceeds (repayments) from Offer Information Statement					
Proceeds from issues of shares and other equity securities /converting notes (net of transaction costs)		621,100	59,253	621,100	91,612
Loan Note – repayments			(155,500)		
Cash Received – acquisition Medical Science Australia Limited					
Proceeds from Loans					
Bank Loan repayments					
Return of capital relating to VentureAxess Group Pty Ltd					
Net cash inflow from financing activities		621,100	(96,247)	621,100	91,612
Net increase (decrease) in cash and cash equivalents		385,001	(14,187)	385,001	(789)
Cash and cash equivalents at the beginning of the financial year		(80,198)	(66,011)	85	874
Cash and cash equivalents at the end of the year		304,803	(80,198)	385,086	85

Notes to the Financial Statements

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 2011 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 $3,040,800 representing investments in subsidiaries are values of investments in investee companies made via Medical Science Australia a subsidiary of VentureAxess Group Limited

(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.

Notes to the Financial Statements

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.

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

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.

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.

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies (continued)

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

(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 revalued 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.

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies (continued)

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.

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.

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies (continued)

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.

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

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies (continued)

(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.

(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 ($164,855) for the year ended 30 June 2012 (2011: loss of $1,594,079). The company and consolidated entity were also in a net position of $2,830,935 as at 30 June 2012 (2011 net assets $2,374,689).

The company made a placement of converting notes shares to raise $500,000 to achieve re-quoting of the Company which occurred on the 28 May 2012.

An offer to compromise and remove the debenture over Medical Science Pty Ltd to be funded by an external party was not accepted by the bank or the past director. A final offer was made to the bank and it is now likely that litigation will take place as the bank has not compromised or accepted the offer made by the directors of the Company.

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, or to assist some of these companies to list on the NSX.

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.

The company will rely upon a rights issue to purchase a business and to be able to realise some of its investments mentioned above.

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

- 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 and a rights issue to raise more capital.
- 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.

Notes to the Financial Statements (continued)

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 19 Key Management Personnel Disclosures.

Notes to the Financial Statements (continued)

4. Profit/(loss) for the year

	Note	CONSOLIDATED 2012 $	CONSOLIDATED 2011 $	PARENT ENTITY 2012 $	PARENT ENTITY 2011 $
Profit/(loss) for the year includes the following revenues and expenses:		(164,855)	(1,594,079)	(164,855)	(464,220)
Revenues from continuing operations:					
Consulting Fees					
Fund Management Fees					
Revaluation of investments					
Interest received – unrelated parties		211		211	
Proceeds from sale of fixed assets					
Debt forgiveness income			47,118		
Total revenue from continuing activities		211	47,118	211	
Expenses from continuing activities					
Audit fees and Accounting		27,737	2,157	27,737	
ASIC fees		3,975	6,282	3,975	6,282
Borrowing Costs					
Employee benefits			1,377		1,215
Consulting fees		51,841	63,832	51,841	56,923
Directors' fees					
ASX Fees		4,073		4,073	
Insurance		7,000	444	7,000	444
Salaries and Wages					
Occupancy expenses			551		201
Compliance Fees		3,000		3,000	
Legal fees		9,000	27,108	9,000	27,108
Bank Charges		107		107	
Hire of Equipment			155		155
Investment Write Off			1,441,349		
Interest		19,000	13,313	19,000	
Lease Expense			2,268		
DOCA Fees			18,182		18,182
General administration expenses			29,954		35,062
Write Downs			(155,002)		
Company Registration NSX		22,095	54	22,095	
Registry		8,706	2,536	8,706	2,536
Creditors forgiven					
Computer costs/Internet		4,988		4,988	
Bad Debt			181,422		316,112
Courier /moving expense		3,543		3,543	
Motor vehicle expenses			5,215		
Total expenses from continuing activities		(165,066)	(1,641,197)	(165,066)	464,220
Profit/(loss) for the year before tax and minority interest		(164,855)	(1,594,079)	(164,855)	(464,220)

Notes to the Financial Statements (continued)

5. Income tax

	CONSOLIDATED		PARENT ENTITY	
	2012 $	2011 $	2012 $	2011 $
(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	(164,855)	(1,594,079)	(164,855	(464,220)
At the statutory income tax rate of 30% (2006: 30%)	(49,456)	(478,224)	(49,456)	(139,266)
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 Creditor write off				
	(49,456)	(478,224)	(49,456)	**(139,266)**
Net adjustment to deferred tax assets and liabilities for tax losses and temporary differences not recognised	(49,456)	(478,224)	(49,456)	
Benefit of research and development tax offset				
Income tax expense/(revenue)				

Notes to the Financial Statements (continued)

6. Current assets – Cash and cash equivalents	CONSOLIDATED		PARENT ENTITY	
	2012 $	2011 $	2012 $	2011 $
Cash at bank and on hand (Note 22) (a)	304,803	(80,198)	385,086	85

(a) Bank Interest
The bank interest rate for the period for cash at bank was 0% (2011: 0%).

7. Current assets – Trade and other receivables	CONSOLIDATED		PARENT ENTITY	
	2012 $	2011 $	2012 $	2011 $
Trade debtors – Medical Science Australia Limited	25,000		25,000	
Sundry Debtors				
Other receivables (including GST receivable)				12,181
Subsidiaries				
	25,000	**Nil**	25,000	**Nil**

Interest rate risk
Information concerning the effective interest rate and credit risk of both current and non-current receivables is set out in note 17.

8. Current assets – Other assets	CONSOLIDATED		PARENT ENTITY	
	2012 $	2011 $	2012 $	2011 $
Bank guarantee	-		-	

9. Non-current assets – Deferred expense	CONSOLIDATED		PARENT ENTITY	
	2012 $	2011 $	2012 $	2011 $
Deferred option expense	-			
	-		-	

Investment in Subsidiaries	CONSOLIDATED		PARENT ENTITY	
	2012	2011	2012 $	2011 $
At 1 July 2011	3,040,800	3,040,801	4,563,967	4,563,967
Acquired / written down /up during the year		(0.001)		
At 30 June 2012	**3,040,800**	3,040,800	**4,563,967**	4,563,967

Notes to the Financial Statements (continued)

10. Non-current assets – Property, plant and equipment	CONSOLIDATED		PARENT ENTITY	
	2012 $	2011 $	2012 $	2011 $
Plant and equipment:				
Opening balance				-
On Acquisition of VentureAxess Limited				-
Disposals				-
Closing value	Nil	Nil	Nil	Nil
Accumulated depreciation				
Opening balance				-
Depreciation for the year				-
Disposals				
Closing value				
Total property, plant and equipment (net)	**Nil**	**Nil**	**Nil**	**Nil**
11. Current liabilities – Payables				
Trade payables and accruals	149,185	210,914	(13,641)	42,558
Bank Facilities	**149,185**	**210,914**	**(13,641)**	**42,558**
12. Current liabilities – Provisions				
Employee benefits- annual leave				
	--		-	
13. Non-current liabilities				
Owing to subsidiaries				157,189
	Nil	Nil		157,189

14. Contributed Equity	PARENT ENTITY 2012		PARENT ENTITY 2011	
	Number of Shares	$	Number of Shares	$
Issued and paid up capital				
Ordinary shares fully paid	369,232,433	8,508,611	342,765,769	8,388,792
Movements in shares on issue				
On issue at the beginning of the year	342,765,769	8,388,792	118,043,018	8,161,097
Issued on acquisition of MSA Limited	466,664			
DOCA Loan Note conversion			219,222,751	202,695
Issued under Offer Information Statement Placement	26,000,000	119,819	5,500,000	25,000
Distribution of VentureAxess Group Limited				
Issue Costs				
On issue at end of the year	369,232,433	8,508,611	342,765,769	8,383,792

Notes to the Financial Statements (continued)

Notes to Contributed Equity and Investment in Subsidiaries

The company had been carrying in the accounts the minority interests representing those shareholders who did not take up the past offer. These shares have been compulsory acquired and held on the share register for collection by those shareholders who may claim their shares. The company will attempt to contract these shareholders again to arrange the issue to those shareholders.

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**	
		2012	**2011**
On issue at the beginning of the year	**0.05 cents**	**60,000,000**	**60,000,000**
Issued (expired) during the year	**0.02 cents**	**50,000,000**	**50,000,000**
On issue at the end of the year		**110,000,000**	**110,000,000**

Expiry Date:

30 June 2014 convertible at0.05 cents (VAXO)
31 August 2014 convertible at 0.05cents
30 August 2012 convertible at 0.02 cents

Expiry Date	**Issue Price of Shares**	**Number of Shares Under Option**
30 June 2014	$0.05	25,000,000
31 August 2014	$0.05	35,000,000
30 August 2012	$0.02	50,000,000

		2012 **$**	**2011** **$**
Loss effect of market condition not satisfied		**nil**	
Option holders' equity at end of financial year	Nil	**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.

Notes to the Financial Statements (continued)

15. Accumulated Losses

	CONSOLIDATED		PARENT ENTITY	
	2012	2011	2012	2011
	$	$	$	$
Balance at beginning of year	(7,454,410)	(5,860,331)	(4,011,295)	(3,547,295)
Net profit (loss) attributable to members of VentureAxess Group Limited	(164,855)	(1,594,079)	(164,855)	(464,220)
Balance at end of year	(7,619,265)	(7,454,410)	(4,176.150)	(4,011,295)

16. Commitments

	CONSOLIDATED		PARENT ENTITY	
	2012	2011	2012	2011
	$	$	$	$
(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				
Later than one year but not later than five years				
Later than five years				
	Nil	Nil	Nil	Nil

Notes to the Financial Statements (continued)

17. 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	2012			–	–	–	–	–		
Other assets	2012	–	51,226	–	–	–	–	–	-	51,226-
Total	**2012**	–	51,226	–	–	–	–	–		51,226
Weighted average interest rate		–	–	–	–	–	–	–	–	–
Financial liabilities										
Bank facilities	2012		265,370							265,370
Convertible Notes	2012		190,000		–	–	–	–		190,000
Total	**2012**		455,370		–	–	–	–		455,370
Weighted average interest rate			–		–	–	–	–	–	
Net financial assets (liabilities)	**2012**	–	(404,144)		–	–	–	–		(404,144)

Interest is only earned on cash deposits.

Notes to the Financial Statements (continued)

18. Key management personnel disclosures

(a) Directors

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

(i) **Chairman- executive**

(ii) **Non-Executive directors**
Richard Green appointed 21 April 2008
David Hickie – appointed 22 October 2009
Simon Van Assche – appointed 22 October 2009
Charles Wantrup – appointed 17 November 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	
	2012 $	2011 $	2012 $	2011 $
Short-term employee benefits	-	-	-	-
Post-employment benefits	-	-	-	-
Share-based payments	-	-	-	-
	Nil	Nil-	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 8 – 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 8.

Superannuation contributions

	CONSOLIDATED		PARENT ENTITY	
	2012 $	2011 $	2012 $	2011 $
Superannuation contributions				
Contribution to superannuation funds on behalf of employees	-		-	

19. 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 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:						
David Hickie	2011		25,000,000	Nil	25,000,000	
Richard Green			18,000,000	Nil	18,000,000	
Simon Van Assche			17,500,000	Nil	17,500,000	
Charles Wantrup			10,000,000	Nil	10,000,000	
David Hickie	2012	25,000,000	Nil	Nil	25,000,000	Nil
Richard Green		18,000,000	Nil	Nil	18,000,000	Nil
Simon Van Assche		17,500,000	Nil	Nil	17,500,000	Nil
Charles Wantrup		10,000,000	Nil	Nil	10,000,000	Nil

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.

The shares held by Simon Van Assche and his associates and David Hickie indirectly on behalf of his associated parties, are a result of the funding of the company through a Deed of Company Arrangement and the conversion of the convertible notes issued for the funding being converted to fully paid shares. Shares were distributed by David Hickie from shares held in trust.

Name		Balance at the start of the year	Acquired/Sold/Distributed during the year	Balance at end of the year
Directors:				
David Hickie	2012	44,578,060	30,238,898	14,339,162
Richard Green	2012	1,300,900	5,000,000	6,300,900
Charles Wantrup	2012	Nil	3,645,866	3,645,866
Simon Van Assche	2012	33,726,576	Nil	33,726,576
David Hickie	2011	Nil	44,578,060	44,578,060
Richard Green	2011	Nil	Nil	Nil
Charles Wantrup	2011	Nil	Nil	Nil
Simon Van Assche	2011	Nil	33,726,576	33,726,576

Other director transactions

20. Remuneration of auditors

	CONSOLIDATED		PARENT ENTITY	
	2012 $	2011 $	2012 $	2011 $
During the year the auditors of the parent company and its related practices earned the following remuneration:				
Audit or review of financial reports of the entity or any entity in the consolidated entity (2011 – half-year accounts only)	6,350	12,500	6,350	12,500
Taxation and other services				
	6,350	**12,500**	**6,350**	**12,500**

21. Contigent assets / 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 2012

(b) Contingent assets

The parent entity and Group are not aware of any contingent assets that need to be disclosed as at 30 June 2012.

22. Investments in controlled entities as at 30 June 2012

	Country of Incorporation and Principal Country of Operation	Main Business	Percentage Ownership	
Controlled entities			2012 %	2011 %
VentureAxess Limited	**Australia**	**Holding Company**	100	100%
VentureAxess Fund Managers Limited (a wholly owned subsidiary of VentureAxess Group Limited)	**Australia**	**Fund Management**	100	100%
Medical Science Australia	Australia	**Investment Company**	100	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.

23. Employee benefits

	CONSOLIDATED		PARENT ENTITY	
	2012	2011	2012	2011
	$	$	$	$
Employee benefit and related on-cost liabilities				
Included in trade creditors				-
Included in accruals				-
Provision for employee benefits – current				-
Provision for employee benefits – non-current				-
Aggregate employee benefit and related party on-costs liabilities	**Nil**	Nil	**Nil**	Nil -

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 nil (2011 – nil).

24. 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	
	2012	2011	2012	2011
	$	$	$	$
Cash at bank and on hand (Note 7)	385,173	172	385,086	85
Bank Overdraft	(80,370)	(80,370)	(80,370)	
Net Cash	304,803	(80,198)	304,716	85

The bank interest rate for the period for cash at bank was 0.00 % (2011: 0.00%).

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

Net profit (loss)	(164,855)	(1,594,079)	(164,855)	(464,220)
Adjustments for non-cash income and expense items				
Depreciation and amortisation of non-current assets				
Write Down of investments		(119,924)		316,112
Loss on sale of non-current assets				
Bad debt write off		181,422		
Changes in assets and liabilities:				
(Increase)/decrease in assets:				
Decrease/(increase) in trade and other receivables	(25,807)	119,957	(25,807)	112,035
(Decrease)/increase in liabilities:				
(Decrease)/increase in creditors and accruals	5,829	96,092	5,829	(56,328)
(Decrease)/increase in employee entitlements				
Asset Revaluation Reserve		1,441,588		
Net operating cash flows	(184,833)	82,060	(184,833)	(92,401)

25. Franking amount

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

26. Events occurring after the balance sheet date

The company VAFM is currently in the process assisting Island Concepts Group Limited (ICG) towards a compliance listing on the National Stock Exchange (NSX) one of three other listings in progress. Island Regency Group Limited operates a real estate and property sales brokerage in both Hong Kong and Bali, Indonesia.

Island Concepts Group Limited holds a strategic investment of 4.9% in PT Island Concepts Indonesia Tbk, a public corporation listed on the Indonesian Stock Exchange ("IDX") whose securities are quoted under the ticker symbol "ICON". ICON operates the Bali Island Villa & Spa Resort in Seminyak, Bali and through its subsidiary PT Patra Supplies and Services, operates as a commercial caterer with customers in the mining, manufacturing, and oil and gas business sectors throughout Indonesia.

ICG has issued on 29 July 1,948,000 shares at 20c per share equating to value of $389,600 to VentureAxess Group Limited for assisting in the listing of ICG.

VAX believes ICG now has sufficient shareholder base and asset base to apply for compliance listing. The company is now completing the financial audit over the coming weeks in order to move towards the compliance listing.

27. Earnings per share

	CONSOLIDATED	
	2012	2011
Basic earnings /(loss) per share (cents per share)	(0.00045)	0.002
Diluted earnings/ (loss) per share (cents per share)	(0.00045)	0.002
Earnings used in calculating of basic/ (loss) earnings per share	(164,855)	663,986
Earnings used in calculating of diluted earnings/ (loss) per share	(164,855)	663,986

	CONSOLIDATED	
	2012 Number	2011 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	369,232,433	342,765,769
Weighted average number of ordinary shares used in the dominator in calculating diluted earnings/ (loss) per share		

At the end of the year, the economic entity had 60,000,000 options on issue with an exercise price of 0.05 cents expiring June and August 2014, and 50,000,000 expiring August 2012 at 0.02c. The options have not been included in the diluted weighted earnings/ (loss) per share calculation as VentureAxess Group Limited's share price has been trading below the exercise price of 0.02 cents per share.

28. Related party transactions

(a) Parent entity

The ultimate parent entity is VentureAxess Group Limited

(b) Subsidiary

Interests in subsidiaries are set out in note 22.

(c) Key management personnel

Disclosures relating to key management personnel are set out in notes 18 and 19.

(d) Transactions with related parties

The following transactions occurred with related parties:

There were no loans to or from related parties at the end of the financial year.

In the Directors' opinion:

a) the financial statements and notes set out in pages 18 to 42 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 2012 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 8 to 10 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.

Richard Green
Chairman

Melbourne

17 September 2012

Shareholder Information as at 30 June 2012

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 2012 are:

	SHAREHOLDER	No of shares	%
1	JP MORGAN NOM AUST LTD	36,101,922	9.78%
2	LAMONT CAP PL	33,726,576	9.13%
3	CUTTS J	33,726,576	9.13%
4	BLAIR RET PL	26,000,000	7.04%
5	EVALON INV PL	20,246,622	5.48%
6	ALLEN GV + KD	16,863,288	4.57%
7	GKM ADVISORY SVCS PL	15,439,131	4.18%
8	CUST CO PL	14,339,162	3.88%
9	HQ AUST PL	13,423,177	3.64%
10	LYALL JOHN	11,129,770	3.01%
11	JONES EMYR WYNN	10,231,156	2.77%
12	ALLEN GEOFFREY	6,349,063	1.72%
13	JONES EMYR WYN	6,337,447	1.72%
14	IRON MOUNTAIN ENTERTAINMENT	5,500,000	1.49%
15	BEETROUTE AUST PL	5,070,411	1.37%
16	PARIBAS PL	5,000,000	1.35%
17	ASIC UNCLAIMED MONIES UNI	4,069,220	1.10%
18	NOBLE INV PL	3,762,500	1.02%
19	MEDICAL SCIENCE AUST PL	3,645,867	0.99%
20	WANTRUP CHARLES	3,645,866	0.99%
	TOP 20 TOTAL	**274,607,754**	**74.37%**
	TOTAL ISSUED CAPITAL	**369,232,433**	**100%**

The 50,000,000 options are exercisable at 2 cents, on or before 30 August 2012

The 25,000,000 options are exercisable at 5 cents, on or before 30 June 2014

The 35,000,000 options are exercisable at 5 cents, on or before 31 August 2014

CWS SINCOCK & CO
CHARTERED ACCOUNTANTS

VENTUREAXESS GROUP LIMITED
ABN 42 087 426 953

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

Scope

Report on the Financial Report

We have audited the accompanying financial report of Ventureaxcess Group Limited, which comprises the balance sheet as at 30 June 2012 and the statement of comprehensive income, 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 directors' declaration of the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' 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 the 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 we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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 company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

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VENTUREAXESS GROUP LIMITED
ABN 42 087 426 953

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

Basis of Qualified Opinion

Uncertainty Regarding Valuation of Investments

The financial statements include, as a non-current asset, the company's equity participation in several development projects including a medical related technology. The directors have valued these investments at $ 3,040,800. The directors' assessment is supported by written valuations which exceed the carrying value included in the financial statements however, given the volatile nature of the capital markets, any such valuation can only be regarded as speculative. We have been unable to determine a basis upon which to assess the realisable value of these investments and accordingly we draw attention to the subjectivity of this valuation.

Qualified Auditor's Opinion

In our opinion, except for the possible impact of the information included in the preceding paragraph:

a. The financial report of 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 2012, and their performance for the year ended on that date: and

   ii. Complying with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporation Regulations 2001;

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

CWS-Sincock & Co
Chartered Accountants

R J Sincock
Partner

Dated at Melbourne, this 11th day of September 2012