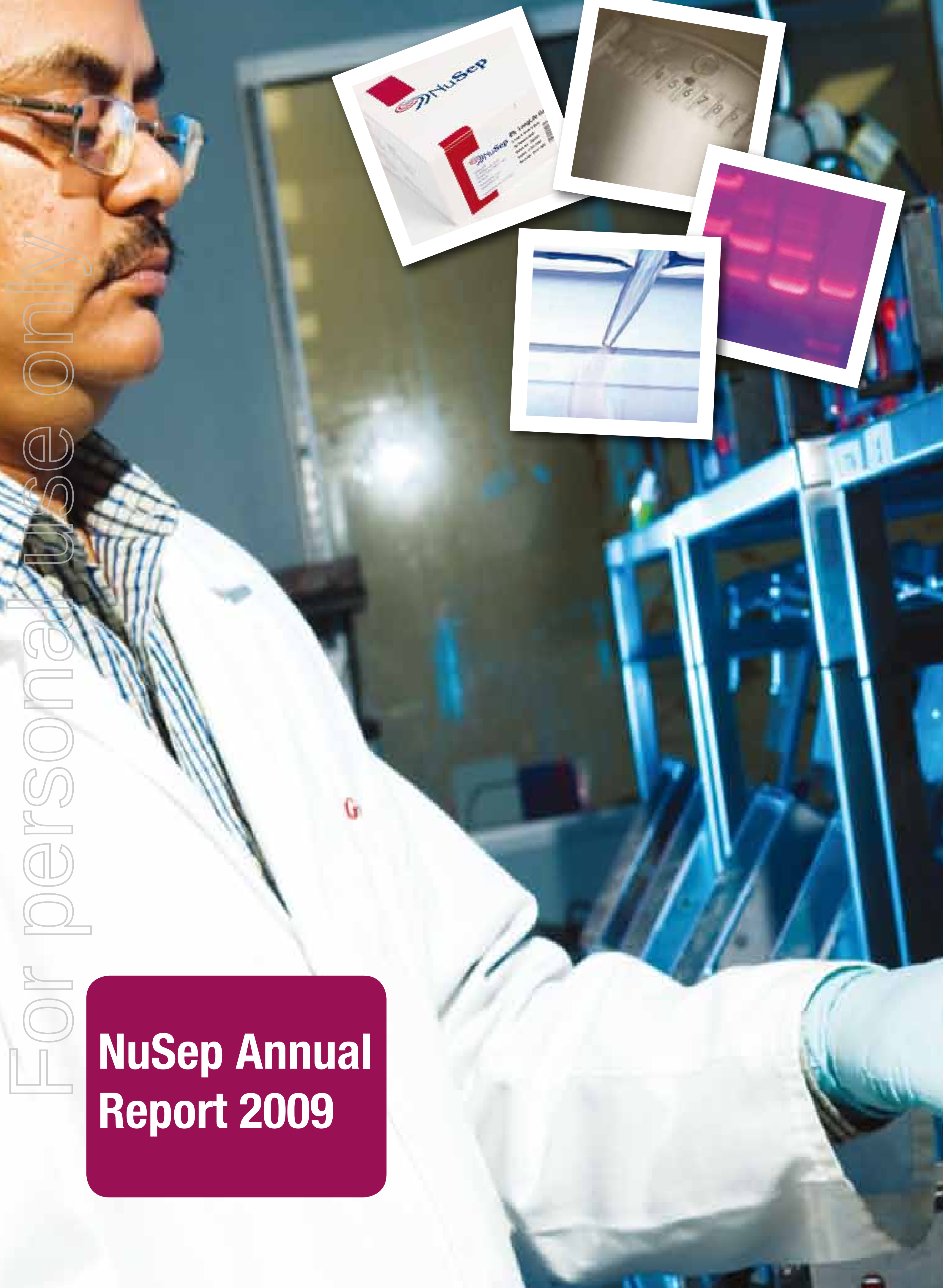

NuSep Annual Report 2009

Redefining BioSeparations through Innovation and Simplification

Transition To A Profitable Company

Significant sales growth, a full order book, a raft of new products, increasing production efficiencies, higher gross margins and significantly reduced losses.

This is NuSep as it moves into the third month of the 2009/10 financial year.

NuSep - A Company with a bright future

As part of the R&D phase NuSep has created some valuable assets which aren't included in the Company's Balance Sheet. These assets are, and will continue to drive the Company's sales and profit growth for the foreseeable future. Specifically NuSep has created the following assets:

Intellectual Property. NuSep has an extensive intellectual property (IP) estate. This IP protection precludes other parties from operating in our markets. Among other items, NuSep's Gels IP covers the manufacturing process. NuSep's MF10 & SpermSep IP covers the instrument and the associated consumables.

Distribution Network. NuSep has developed global distribution. NuSep is now a recognised brand in the global BioSeparations market. This is a significant achievement for NuSep and one that most other Australian companies never achieve. NuSep has also seen significant growth in its direct internet sales which can be attributed to the value that our customers place on the NuSep name.

Niche Player. NuSep is seen as providing customers with innovative quality products in the BioSeparations niche of the life science market. This makes NuSep's products very attractive to the OEM customers who can leverage off our brand and has help the growth of the MF10 sales as customers know and trust the NuSep brand. It is also attracting other organisations to approach us about selling their products through our distribution network.

Solid Board & Management Team. NuSep's Board and Management team has an extensive history in the life sciences market. This team has achieved many firsts, both at the research and business level in Australia and overseas.

Summary. NuSep has invested heavily in R&D over the last few years and is now reaping the benefits of that investment. The Company's sales are growing and margins have improved leading to a maiden profit of $500,000 next year. Finally, sales of the SpermSep are expected to start later this year, which will have a significant impact on the Company's future sales and profit.

Lane Cove Facility and Manufacturing Update

NuSep moved out of the Frenchs Forest site in June 2009. After fitting out the new Lane Cove, Sydney facilities the company was back up to speed with in four weeks. Initial production runs began mid July 2009 and the Gel manufacturing facility was fully operational by the beginning of August 2009.

The total cost of the move and fit out was under $100,000. In part we were able to minimise this cost by relocating the laboratories from the old facility to Lane Cove. In addition the Lane Cove facility has a number of clean rooms in which we are now manufacturing our gels.

The Lane Cove facility now represents a state of the art manufacturing suite for Gels, MF10/CS10 and R&D laboratories. The facility also houses the administrative offices of NuSep and warehouse operations. The total rental of this facility is $190,000pa, compared to $1.3m pa at the previous Frenchs Forest facility. In addition the Company is saving in the order of $200,000pa of ancillary expenses such as electricity as a result of this move.

The relocation saving of $1.3m pa reduces NuSep's fixed costs to the point where it is at breakeven on the sales achieved in the previous year.

NuSep Products

The new way of preparing healthy sperm FDA Pre IND Application reviewed

The SpermSep CS10

The new way of preparing healthy sperm FDA Pre IND Application reviewed

The first live birth from assisted human fertilization (IVF) was reported in 1978. Over the last 31 years there has not been a more efficient method for the preparation of healthy sperm used in IVF. NuSep's SpermSep CS10, developed together with Professor John Aitkin from the University of Newcastle, is the first such advancement in the preparation of healthy sperm in over 30 years.

The SpermSep was used in a clinical trial in the Westmead Hospital's Fertility clinic in 2008. This successful trial culminated in three live births and showed that the instrument was at least as safe as the currently used methodology but provided a number of advantages especially in efficacy and safety.

Post this trial, the company made an application to the US FDA to explore what is required to ensure successful registration and sale in the US. It should be noted that US registration is recognised in many other countries. This submission is known as a pre IND application and enables the FDA to advise of any major regulatory concerns before a company submits an official registration application.

In the meantime scientists at NuSep have designed a completely disposable single use cartridge for the SpermSep following on from suggestions by Westmead trial clinicians. Production of this second generation SpermSep instrument is expected to commence post the current capital raising.

NuSep will undertake another clinical trial later this year to confirm that the revised disposable cartridge operates as safely and effectively as the original disposable cartridge. This study will be limited to the separation of sperm and not extend to pregnancy as in the original study. Based on this, NuSep expects to complete this study early in the 2010 calendar year with sales to occur soon there after. The SpermSep also has significant applications in the veterinary field. NuSep is working with veterinary clinicians to exploit these applications.

To put the market for the SpermSep into perspective there are approximately 45,000 IVF cycles conduced in Australia each year. Each of these would require the use of a single use cartridge.

NuSep Products

Our products exceed customer expectations

Gels - New products, improved quality and sales

The market for premade polyacrylamide electrophoresis gels is estimated to be worth approximately US$100M. At present two supermarket style companies dominate this market and account for over 80% market share. NuSep is #3 with a market share of approximately 6% and is seen as the market innovator.

In the past production difficulties and unreliable distribution have limited our entry to this market. However in the past 12 months NuSep has not only overcome these manufacturing issues but has also achieved outstanding pass rates and quality control. As a result customer confidence in our gel products surpasses that of our rivals and has not only led to increased direct sales, but an unprecedented demand via our OEM product network.

One example of our innovative nature was the introduction of the NUView gels. This product allows researchers to analyse their gels as soon as they have completed a run. Currently researchers have to wait up to a day to undertake this analysis. This product represents the first true innovation in the gel market during the last few years.

The Company has undertaken customer sampling of the NUView gels and this has lead to a significant lift in NuSep's direct sales. The Company sees continued sales growth as this product is trialled by an ever increasing group of researchers.

In addition the move to Lane Cove has lead to an improvement in the quality of the gels as they are now manufactured in a clean room environment. Also, the move has allowed the manufacturing process to be laid out in a more efficient manner reducing the total manufacturing cost.

Finally, NuSep continues to receive additional OEM enquiries which is a reflection of the market presence that the NuSep gels now command.

It is these sorts of innovations, expanding distribution and increased quality which have laid the groundwork for our planned growth of market share from the current 6% to 10% of the US market over the next 18 months. Achievement of this market share would lift our gel sales to approximately $3.2m pa from the projected $2.1m for the 2009/10 year.

MF10 - A unique product which is generating significant interest as researchers develop applications

Proteomics is the large-scale study of proteins, particularly their structures and functions. Proteins are vital parts of living organisms, as they are the main components of the physiological metabolic pathways of the cell and have potential significant roles as markers for diseases like cancer, heart disease and diabetes. However unlike Genomics (the study of DNA) protein studies are much more complex and require significant clean up (separation/purification) procedures before further detailed analyses with Mass Spectrometry. The MF10 serves just this purpose with its ability to quickly and efficiently purify proteins for further analysis. Launched in 2008, this separation instrument is being adopted by scientists as the frontline purification tool. A number of unique applications have been developed and flowing from this customer feedback a second generation instrument has been developed. This is due to be launched in the near future.

Pharmaceutical & Biotech companies recognise the importance of proteomics for their diagnostics and drug development pipelines. The proteomics market is anticipated to grow from $6.7 Billion in 2008 to an estimated $7.9 Billion in 2009 and continue on to $19.4 Billion by 2014[1]. The specific proteomics market that the MF10 addresses is the proteomic sample preparation market. Frost & Sullivan state that the US proteomics sample preparation market generated $59 million in revenue in 2007 and is expected to reach $103 million in 2011. This market is expected to grow at a compound rate of 15% across this period[2].

Over the last six months NuSep's sales force has been focused on demonstrating the MF10 to potential customers. As with any new technology this has been a multistage sales process. The MF10 has now passed the tipping point with potential customers requesting demonstrations and applications being tendered with relevant granting agencies for capital purchase approvals. Significant sales growth is expected this year, particularly after the launch of the second generation MF10 later this year.

1. BCC Research Proteomics: Technologies and Global Markets June 2009. http://www.the-infoshop.com/report/bc92659-proteomics.html
2. Genetic Engineering & Biotechnology News Vol 27, No 16, September 15 2007

NuSep Ltd
and its Controlled Entities
ABN 33 120 047 556

Annual Financial Report
for the year ended 30 June 2009

Contents

Directors' Report

Your Directors present their report, together with the financial statements of the Group, being the company and its controlled entities, for the financial year ended 30 June 2009.

Directors
Unless indicated otherwise, the following persons were Directors of NuSep Ltd during the whole of the financial year and until the date of this report:

Names, Qualifications, Experiences, Special Responsibilities and Shareholding	**Interest in Shares and Options***
John Manusu B.Com, F.Fin. Executive Chairman Managing Director between September 2006 and September 2008, since then Executive Chairman. Age 50. Mr Manusu has over 20 years experience running biotechnology companies. He has been involved with start ups, turnarounds and mature organisations in the biotechnology space. Mr Manusu has undertaken a number of significant acquisitions and divestures, as well as raising over $100 million in public funding and $10 million of peer reviewed government R&D grants. Mr Manusu was a Director of Life Therapeutics Ltd (October 2003 to June 2007). Mr Manusu has a degree in Commerce and is a Fellow of the Financial Services Institute of Australasia. Mr Manusu has worked in the biotechnology industry in Australia and the U.S. and is best described as a biotechnology entrepreneur.	100,631 Direct and 34,125 Indirect ordinary shares (Share options cancelled during the year 800,000)
Dr. Hari Nair BSc (Hons), PhD (Med & Clin Sci), MAIboil, MOIF (Cambridge) Managing Director, Chief Executive Officer Non-executive Director between September 2006 and September 2008, since then Managing Director and Chief Executive Officer. Age 52. Dr Nair has a PhD in Medicine and Clinical Science from the Australian National University with his specialty in cardiovascular medicine and haematology. Dr Nair has received a number of awards from international organisations including being specially recognised for his role in coagulation research by the ACT government. He has run biotechnology companies in Australia and the US and was the CEO and Managing Director of Life Therapeutics Ltd (October 2003 to December 2007) where he transformed Life Therapeutics Ltd into the world leader in the collection of hyperimmune plasmas. Dr Nair has been heavily involved in mergers and acquisitions especially in the US and Europe and has US financial experience.	10,450 ordinary shares (Share options cancelled during the year 200,000)
Iain Howard Sorrell HND, LiBiol Non-executive Director Chairman of Remuneration Committee, Member of Audit Committee Non-executive Director since September 2006. Age 52. Mr Howard-Sorrell is based in the USA and has over 20 years experience in the Life Sciences arena. He has held senior sales and marketing positions in both corporate and start up businesses both in Europe and the USA. In addition to his extensive knowledge of the separations industry he has also set up and operated a successful import and distribution organisation in the USA. No other directorships have been held in a listed company during the last 3 years. He is a graduate of the University of Plymouth in Applied Biology. In addition to on-going consultative roles he is also actively involved on the board of trustees for non-profit organisations. He is best recognised for his ability to develop new markets and co-ordinate international distribution.	6,231 ordinary shares (Share options cancelled during the year 200,000)
William Spee (appointed 1 July 2009) Non-executive Director Chairman of Audit Committee, Member of Remuneration Committee Non-executive Director since July 2009. Age 62. Mr Spee brings 30 years experience in running Manufacturing, Retail and Investment operations. He has a lifetime passion for science and technology and in addition to running his own Commercial Property Investment company has direct investments interests in several growing ventures. Mr Spee was a Flying Officer in the RAN, and completed his training in the US Navy. Mr Spee has run several small retail food businesses, has studied computer science at Macquarie and Canberra Universities before running a small scale electronic manufacturing venture. No other directorships have been held in a listed company during the last 3 years. Mr Spee is	79,471 Direct and 124,747 Indirect ordinary shares

Directors' Report

passionate about the environment and is currently designing a new 6 green star commercial building in Northern Australia.	
Nicholas Caré Dip. Eng. (resigned 17 September 2008) Non executive Chairman between September 2006 and September 2008. He was also Member of Audit Committee and Member of Remuneration Committee during this period. Age 49. Mr Caré has over 25 years experience in management, international trade and liaison between private, public and government enterprises. Mr Caré is the CEO/Secretary General of the Italian Chamber of Commerce in Sydney, which is the largest Chamber of Commerce in the world. He is a Committee Member of the SBS Community Advisory Committee (CAC), Board Member of the Assocamerestereo (worldwide Association of Italian Chambers of Commerce) where he represents, along with other representatives of the Italian Government, the CEO's of the 74 Chambers worldwide. He is Past President of the European Chambers in Australia. He was conferred the title of Cavaliere (a knighthood) in the Order of Merit of the Italian Republic in May 2007. Mr Caré has not held any Directorships in listed entities in the last three years . Mr Caré is an Engineer. Mr Care resigned from the NuSep Board on 17 September 2008.	4,500 ordinary shares (Share options cancelled during the year 300,000)
Dr. Choon H. Lee MBBS (Hons), FRACP, FRCPA (resigned 30 July 2008) Non executive Director between September 2006 and July 2008. He was also Member of Audit Committee and Member of Remuneration Committee during this period. Age 63. Recipient of the Singapore President scholarship, Adelaide University Gold medal, Albert Baikie Award (HSA). Chaired Medical Advisory Committee of Nepean Private Hospital, Chaired Medical Staff Council of Wentworth Health Area, Member of Scientific Advisory Board of Peptech, active in cardiovascular and haematology practice for more than 30 years. Dr Lee was a Director of Life Therapeutics (October 2003 to June 2007). Published over 30 papers. Dr Lee resigned from the NuSep Board on 30 July 2008.	Nil (Share options cancelled during the year 200,000)

* The directors holding as at the date of this report.

Company Secretary
The Company Secretary is Mr Prakash Patel, CPA. Mr Patel has held the position of Company Secretary since the appointment of the NuSep Board in September 2006. Mr Patel was appointed the Chief Financial Officer of NuSep Ltd in September 2006. Mr Patel has a degree in Commerce, is a CPA (Certified Practising Accountant) and is an affiliated member of CSA (Chartered Secretaries Australia).

Meetings of Directors
The following table sets out the numbers of meetings of the company's Board of Directors and meetings of each Board committee held during the year ended 30 June 2009 and the number of meetings attended by each Director.

Director	Full meetings of Directors		Meetings of committees			
			Audit		Remuneration	
	A	B	A	B	A	B
John Manusu	17	17	1	1	-	-
Dr Hari Nair	17	17	2	2	1	1
Iain Howard Sorrell	17	17	3	3	1	1
Nicholas Caré	3	3	1	1	1	1
Dr Choon Lee	-	-	-	-	-	-

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.

CORPORATE INFORMATION

Corporate Structure
NuSep Ltd is a company limited by shares, incorporated and domiciled in Australia with its registered office at 324 Burns Bay Road, Lane Cove, NSW 2066. It has prepared a consolidated financial report incorporating the entities it controlled during the financial year. Refer to note 26 for the list of entities it controlled during the financial year. All press releases, financial reports and other information are available on our website at www.nusep.com

Directors' Report

Principal Activities

During the year the principal continuing activities of the consolidated group consisted of the development, manufacture and sale of separations equipment and consumables for the Life Science market. There have been no significant changes in the nature of those activities during the year.

Dividends

No dividends were paid during the year and no dividend is recommended.

Directors' Report

REVIEW OF OPERATIONS

This has been the second full year of operations for NuSep. For the year the company has reported revenue of $2.2m with a loss of $2.7m. Overall the operational results for the period have been ahead of company expectation.

Operating results for the year
A summary of consolidated revenues and results by significant business segment is set out below:

	Segment revenues		Segment results	
	2009	2008	**2009**	2008
	$	$	**$**	$
Consumable products	**1,535,377**	1,310,330	**193,100**	(1,604,464)
Separations	**512,852**	300,562	**(210,195)**	(1,886,367)
Corporate & Shared Services	**118,952**	103,383	**(2,724,228)**	(1,839,690)
Total	**2,167,181**	1,714,275	**(2,741,323)**	(5,330,521)

The increased manufacturing efficiencies achieved over the last six months have significantly reduced the Company's overall loss in the 2008/09 year. In addition by removing the $1m pa Frenchs Forest rental cost the Company is set to further improve the 2009/10 year results.

The critical factors have been the increased sales and ability to improve the Gel manufacturing pass rate, turning this into a profitable division. Sales continue to increase as the Company increases its US market share. NuSep estimates that it currently holds 6% of the US Gels market and plans to grow its share of the US market to 10% over the next 18 months.

While the Gels Division is an important source of cashflow, the Company's real future lies in the MF10 and SpermSep markets. Sales of the MF10 were slow over the last financial year and have increased as more researchers trial this unique instrument. Also there have been some teething problems and a second generation instrument will be launched by the end of this calendar year.

Over this last year NuSep has moved from a primarily R&D company into the commercial phase of its development. As part of this development the Company has also established a solid distribution network of direct and OEM (original equipment manufacturer) sales channels. NuSep uses its direct sales efforts to build brand awareness at a higher margin while the OEM distribution channels generate significant reach, but at lower margins. Over the last year the Company has used the direct sales approach to market the MF10. This has provided critical customer feedback while building the NuSep brand name. This MF10 'missionary selling' has also generated OEM interest in the MF10 and new products for NuSep to consider acquiring.

NuSep has successfully completed its first SpermSep CS10 clinical trial in 2008 at the Westmead Fertility Centre in Sydney. This trial showed that the SpermSep device is as least as safe as the existing sperm isolation process. The SpermSep is a device that separates sperm from seminal fluid, an essential pre-requisite to In Vitro Fertilization (IVF), Inter-Uterine Insemination (IUI) and Intra Cytoplasmic Sperm Injection (ICSI) procedures in the Assisted Reproductive Technologies (ART) market. NuSep will start what is expected to be the final pre market clinical trial later this year with initial sales expected in the 2009/10 year.

Directors' Report

Corporate & Shared Services
Corporate & Shared services include the expenses relating to Corporate overhead costs, depreciation and interest. Also included are share-based payments, the Frenchs Forest building rental, related Frenchs Forest lease surrender and fixed asset write-off costs.

Financial Position
The net assets of the consolidated group have decreased by $1,499,828 from 30 June 2008 to net liabilities of $398,471 in 2009. This decrease is mainly due to the current year loss of $2,741,323. Post year end the company has successfully completed a $2.8million SPO capital raising.

Likely Developments , Prospects and Business Strategies
Likely developments, future prospects and business strategies of the operations of the group and the expected results of those operations have not been included in this report as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the consolidated group.

Significant Change in State of Affairs
Significant changes in the state of affairs of the consolidated group during the financial year were as follows:

- In June 2009 the Company surrendered the rental lease at Frenchs Forest and moved to a new facility in Lane Cove, Sydney.
- Inline with company policy appropriate development costs have been capitalised.
- The Australian operations of the company commenced trading as Prime BioSeparations Ltd from 1 April 2009, this is also included the transfer of operational assets from NuSep Ltd to Prime BioSeparations Ltd. Prime BioSeparations Ltd a wholly owned subsidiary of NuSep Ltd.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The following events occurred subsequent to 30 June 2009:

a) The Company released on 10 August 2009 a Share Purchase Offer (SPO) Prospectus for the Offer for up to 10million shares at an issue price of 20 cents per Share to shareholders to raise up to $2millon.

b) The Company on 14 September 2009 announced that it has raised over $2.8million under the Share Purchase Offer (SPO) that closed on 4 September 2009. On the issue of these shares, the company now has a total issued capital of approximately 16.6million ordinary shares.

c) A claim of $629,487 has been filed against NxGen Pharmaceuticals Pty Limited under the terms of the Implementation Deed dated 28 November 2008 for the costs related to the NxGen acquisition by NuSep.

Except for the items discussed above no other matters or circumstances have arisen since 30 June 2009 that have significantly affected, or may significantly affect:

(a) The consolidated entity's operations in future financial years, or
(b) The results of those operations in future financial years, or
(c) The consolidated entity's state of affairs in future financial years.

SHARE OPTIONS
As at the date of the report the company does not have any options on issue.

Option holders do not have any right, by virtue of the option, to participate in any share issues of the company or any related body corporate.

ENVIRONMENTAL ISSUES
The consolidated group has assessed whether there are any particular or significant environmental regulations which apply. It has determined that the risk of non-compliance is low and has not identified any compliance breaches during the year.

Directors' Report

INDEMNIFYING OFFICERS

During or since the financial year, the company has paid premiums to insure all directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the company, other than conduct involving a wilful breach of duty in relation to the company. In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer of the company or any related body corporate against a liability incurred by such an officer.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Directors' Report

REMUNERATION REPORT

Outlined below are the guiding principles used by NuSep to set the remuneration of the organisation. While NuSep has adopted these guiding principles it also sensitive to the overall business environment and NuSep's financial wellbeing. To this end during the last year the Board and senior executives agreed to accept significant cuts in their Board fees and salaries. Non Executive Board fees were cut from $50,000 to $25,000 pa. The CEO and Executive Chairman both reduced their salaries by $50,000 to $250,000 pa. Further no bonuses were paid during this period.

The Board believes it is prudent to take such decisions not only to help NuSep weather the global financial crisis but to also send a message to our shareholders and other stakeholders that NuSep is taking all the steps necessary to achieve its maiden profit of $500,000 next financial year.

Principles used to determine the nature and amount of remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and confirms with market best practice for delivery of reward. The Board Remuneration Committee evaluates the executive directors and the CEO reviews the senior executive team. In general the Board and specifically the Remuneration Committee ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage/alignment of executive compensation
- Transparency
- Capital management

The Company has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation. Specifically the remuneration policy has been structured to provide:

Alignment to shareholders' interest:

- Has economic profit as a core component of plan design
- Focuses on sustained growth in share price and delivering constant return on assets as well as focusing the executive on key non financial drivers of value
- Attracts and retains high calibre executives

Alignment to program participants' interest:

- Rewards capability and experience
- Reflects competitive reward for contribution to shareholder growth
- Provides a clear structure for earning rewards
- Provides recognition for contribution

The framework provides a mix of fixed and variable pay, and a blend of short and long term incentives. As executives gain seniority with the group, the balance of this mix shifts to a higher proportion of "at risk" rewards.

Company performance, shareholder wealth and director and executive remuneration.

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. There have been two methods applied in achieving this aim, the first being a performance bonus based on key performance indicators, and the second being the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests.

The directors felt the share price was not as stable as was expected during the year, reaching a low of 3 cents and a high of 44 cents. It is a concern of the board and also executives as greater fluctuations may lead to a devaluation of the share price, and thus shareholder wealth. As part of the capital restructure the Board cancelled all outstanding share options. Post the completion of the SPO the board has decided to increase awareness of NuSep and its future prospects. The Board will undertake this activity in order to improve the company's share price in line with its growing financial position. The share price as at 30 June 2009 was 5 cents and 30 June 2008, 12 cents.

Director Remuneration additional points

Dr Nair as a non-executive Director had a consulting agreement with NuSep, the contract commenced on 1st January 2008 and was terminated in September 2008 on his appointment as the CEO of NuSep. The Company is negotiating an agreement with Dr Nair the basic terms of which are outlined below. There are no other employment agreements or consultancy agreements

Directors' Report

between non executive Directors and the Company. The Board does not have any termination payments, other than statutory entitlements for retiring non-executive Directors.

On 1st January 2007 the executive director Mr John Manusu signed a 3 year employment contract. This contract includes employment terms, performance clauses and termination payments.

Employment contracts
The Executive Chairman, Mr Manusu, is employed under contract. The current employment contract commenced on 1st January 2007 and terminates on 31st December 2009. The Company shall commence discussion on renewal of the contract, one (1) year prior to the expiration of the initial term. Under the terms of the current contract:

- Mr Manusu may resign from his position and thus terminate this contract by giving 4 weeks written notice. On resignation any options will be forfeited.

- Mr Manusu is entitled to resign from his position and terminate this contract due to the occurrence of a purchase, takeover, or merger by giving seven (7) days written notice no later than 90 days after the date of sale or transfer of the Company. Where he elects to terminate this contract due to takeover Mr Manusu is entitled to the higher of:
  a) The balance of the salary payable in respect of the unexpired portion of this contract; or
  b) 2 years' salary (based on the fixed component then being paid under this contract)

- For reasons of illness or bankruptcy, the Company may terminate this agreement by providing one (1) months' written notice or provide payment in lieu of the notice period (based on the fixed component of Mr Manusu's remuneration).

- The Company may terminate this contract for whatever reason other than serious misconduct (such as redundancy), with or without notice. In this event, the Executive Chairman is entitled to the higher of:
  a) The balance of the salary payable in respect of the unexpired portion of this contract; or
  b) 2 years' salary (based on the fixed component then being paid under this contract)

- The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs the Executive Chairman is only entitled to that portion of remuneration which is fixed, and only up to the date of termination. On termination with cause any unvested options will immediately be forfeited.

A new contract is being negotiated for the CEO, Dr Nair. The general terms of the contract will include:

- Dr Nair may resign from his position and thus terminate this contract by giving 4 weeks written notice. On resignation any options will be forfeited.

- Dr Nair is entitled to resign from his position and terminate this contract due to the occurrence of a purchase, takeover, or merger by giving seven (7) days written notice no later than 90 days after the date of sale or transfer of the Company. Where he elects to terminate this contract due to takeover Dr Nair is entitled to the higher of:
  a) The balance of the salary payable in respect of the unexpired portion of this contract; or
  b) 2 years' salary (based on the fixed component then being paid under this contract)

- For reasons of illness or bankruptcy, the Company may terminate this agreement by providing one (1) months' written notice or provide payment in lieu of the notice period (based on the fixed component of Dr Nair's remuneration).

- The Company may terminate this contract for whatever reason other than serious misconduct (such as redundancy), with or without notice. In this event, the CEO is entitled to the higher of:
  a) The balance of the salary payable in respect of the unexpired portion of this contract; or
  b) 2 years' salary (based on the fixed component then being paid under this contract)

- The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs the CEO is only entitled to that portion of remuneration which is fixed, and only up to the date of termination. On termination with cause any unvested options will immediately be forfeited.

Directors' Report

The CFO, Mr Patel, is employed under contract. The current employment contract commenced on 1st January 2007 and terminates on 31st December 2009. The Company shall commence discussion on renewal of the contract, one (1) year prior to the expiration of the initial term. Under the terms of the current contract:

- Mr Patel may resign from his position and thus terminate this contract by giving 4 weeks written notice. On resignation any options will be forfeited.

- Mr Patel is entitled to resign from his position and terminate this contract due to the occurrence of a purchase, takeover, or merger by giving seven (7) days written notice no later than 90 days after the date of sale or transfer of the Company. Where he elects to terminate this contract due to takeover Mr Patel is entitled to the higher of:
  a) The balance of the salary payable in respect of the unexpired portion of this contract; or
  b) 2 years' salary (based on the fixed component then being paid under this contract)

- For reasons of illness or bankruptcy, the Company may terminate this agreement by providing one (1) months' written notice or provide payment in lieu of the notice period (based on the fixed component of Mr Patel's remuneration).

- The Company may terminate this contract for whatever reason other than serious misconduct (such as redundancy), with or without notice. In this event, the CFO is entitled to the higher of:
  a) The balance of the salary payable in respect of the unexpired portion of this contract; or
  b) 2 years' salary (based on the fixed component then being paid under this contract)

- The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs the CFO is only entitled to that portion of remuneration which is fixed, and only up to the date of termination. On termination with cause any unvested options will immediately be forfeited.

Non Executive Directors
Fees and payments to non executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non Executive Directors fees and payments are reviewed annually by the Board. The Board also has agreed to the advice of independent remuneration consultants to ensure Non Executive Directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of Non Executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his remuneration. Non Executive Directors may opt each year to receive a percentage of their remuneration in NuSep Ltd shares.

Directors' Report

Directors' Fees
The current base remuneration was last reviewed effective 11 September 2006. Non Executive Directors' fees are determined within an aggregate fee pool limit, which is periodically recommended for approval by shareholders. The maximum non executive Directors fee pool limit is $250,000 per year.

Retirement Allowance for Directors
In line with recent guidance on Non Executive Directors' remuneration, the Board has resolved not to have any retirement allowances for Non Executive Directors.

Executive Pay
The executive pay and reward framework has four components:

- Base pay and benefits
- Short term performance incentives
- Long term incentives
- Other remuneration such as superannuation.

The combination of these comprises the executive's total remuneration. The Company also has long term equity linked to their performance incentives.

Base Pay
Structured as a total employment cost package which may be delivered as a mix of cash and prescribed non financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. External remuneration consultants provide analysis and advice to ensure base pay is set to reflect the market for a comparable role in a similar sized biopharmaceutical company to the Remuneration Committee for its consideration. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market.

Retirement Benefits
Retirement benefits are delivered under the NuSep employee superannuation fund.

Short Term Incentives
It is planned that should NuSep achieve a financial targets set by the remuneration committee, then a pool of short term incentives (STI) will be available for executives to allocate during the annual review. Under the planned scheme, cash incentives (bonuses) are payable in cash during September each year. Using the above targets will ensure rewards are only available when value has been created for shareholders and when the results are consistent with the business plan. The incentive pool is to be leveraged for performance above the threshold to provide an incentive for executives to out perform their budgets. The incentive is designed to represent a significant percentage of the executives salary, up to 50% in any one year.

Each executive is to attract a target STI opportunity depending on the accountabilities of the role and impact on the organisation or business unit performance.

Each year, the remuneration committee considers the appropriate targets and key performance indicators (KPIs) to link the STI plan and the level of payout if targets are met for the executive directors. The CEO conducts the same assessment in conjunction for the senior executive team. These KPI's and linked STI will be reviewed by the remuneration committee. This includes setting any maximum payout under the STI plan, and minimum levels of performance to trigger payment of STI.

KPIs linked to short term incentive plans will be based on group, individual business and personal objectives. The KPIs will require performance in increasing sales, reducing operating costs and achieving specific targets in relation to return on assets and economic value added (EVA), as well as other key, strategic non-financial measures linked to drivers of performance in future reporting periods.

The short term bonus payments may be adjusted up or down in line with under or over achievement against the target performance levels. This is at the discretion of the remuneration committee. The STI targets and bonuses are reviewed annually.

Long Term Incentives
The objective of the Company is to reward senior management in a manner which aligns elements of remuneration with the creation of shareholder wealth. The long term incentive grants to executives are delivered in the form of share options.

Directors' Report

Details of Remuneration
Details of the nature and amount of each element of the emoluments of each Director of NuSep Ltd and specified executive of the Company and the consolidated entity with the highest authority levels for the year ended 30 June 2009 are set out in the following tables.

Directors of NuSep

2009	Short-Term			Post-employment		Equity settled share based payments		
Name	Cash Salary and Fees $	Bonus $	Consulting fees and other benefits $	Super-annuation $	Retirement Benefits $	Value of Options * $	Total $	% perfom ance related
John Manusu	300,000	-	-	13,745	-	37,481	351,226	-
Dr Hari Nair	225,946	-	71,969	6,872	-	9,370	314,157	-
Iain Howard Sorrell	47,917	-	-	-	-	9,370	57,287	-
Nicholas Caré	12,500	-	-	-	-	14,055	26,555	-
Dr Choon Lee	-	-	-	-	-	9,370	9,370	-
Total	586,363	-	71,969	20,617	-	79,646	758,595	

* All the share options were cancelled during the year. None of these options were exercised prior to the cancellation

2008	Short-Term			Post-employment		Equity settled share based payments		
Name	Cash Salary and Fees $	Bonus $	Consulting fees and other benefits $	Super-annuation $	Retirement Benefits $	Value of Options * $	Total $	% perfom ance related
Nicholas Caré	35,000	-	-	-	-	8,910	43,910	-
John Manusu	300,000	-	-	13,129	-	23,759	336,888	-
Dr Hari Nair	25,000	-	87,500	-	-	5,940	118,440	-
Dr Choon Lee	25,000	-	-	-	-	5,940	30,940	-
Iain Howard Sorrell	25,000	-	-	-	-	5,940	30,940	-
Total	410,000	-	87,500	13,129	-	50,489	561,118	

Senior Executive Employment Agreements
All of NuSep senior executive team are under employment contracts. These contracts include employment terms, remuneration, performance clauses and termination payments. Under the general terms of the current executive contracts:

- the executive may resign from their position and thus terminate the contract by giving 4 weeks written notice. On resignation any options will be forfeited.

- the agreement will automatically terminate unless the agreement is renewed by the parties, in writing, prior to the expiration of the initial term. Employee's employment will automatically continue on an at-will basis on the same terms here-in, meaning that it may be terminated at any time, by either party, with or without cause and with or without notice.

Executives of NuSep

2009	Short-Term			Post-employment		Equity settled share based payments		
Name	Cash Salary $	Bonus $	Non-monetary benefits, and Allowances $	Super-annuation $	Retirement Benefits $	Value of Options * $	Total $	% perform ance related
Prakash Patel	125,000	-	-	11,250	-	14,055	150,305	-
Dr John Andrews	120,000	-	-	10,800	-	9,696	140,496	-
Barry Holman	231,698	-	10,252	-	-	-	241,950	-
Total	476,698	-	10,252	22,050	-	23,751	532,751	

Directors' Report

* All the share options were cancelled during the year. None of these options were exercised prior to the cancellation.

2008	Short-Term			Post-employment		Equity settled share based payments		
Name	Cash Salary $	Bonus $	Non-monetary benefits, and Allowances $	Super-annuation $	Retirement Benefits $	Value of Options * $	Total $	% performance related
Prakash Patel	125,000	-	-	11,250	-	8,910	145,160	-
Dr Greg Rogers	165,000	-	-	13,129	-	5,940	184,069	-
Dr John Andrews	120,000	-	-	10,800	-	5,940	136,740	-
Barry Holman	105,469	-	8,560	-	-	-	114,029	-
Total	515,469	-	8,560	35,179	-	20,790	579,998	

Prakash Patel is Chief Financial Officer and Company Secretary.
Dr John Andrews is Chief Scientific Officer.
Barry Holman is VP Sales based in the US, and commenced employment on 1 January 2008.

Share options granted to Directors and the specified executives
Share options were issued during the year to the Directors and executives with the highest authority levels of NuSep and consolidated entity as part of their remuneration. These options and the terms are outlined in table below.

The fair value of each option is estimated on grant date using Black-Scholes option pricing model, with the following assumptions used:

	2009
Dividend yield	0%
Risk-free interest rate	6.03% - 6.09%
Historical volatility	45%
Expected volatility	45%
Expected option life	2 - 5 years

Shares Under Option
The number of options over ordinary shares in NuSep issued to directors and executives during the year is as follows:

Directors

2009	Balance at start of year	Granted as remuneration	Exercised during the year	Cancelled during the year	Balance at end of the year	Exercisable	Non Exercisable
Nicholas Caré	300,000	-	-	300,000	-	-	-
John Manusu	800,000	-	-	800,000	-	-	-
Dr Hari Nair	200,000	-	-	200,000	-	-	-
Dr Choon Lee	200,000	-	-	200,000	-	-	-
Iain H. Sorrell	200,000	-	-	200,000	-	-	-
Total	1,700,000	-	-	1,700,000	-	-	-

2008	Balance at start of year	Granted as remuneration	Exercised during the year	Lapsed during the year	Balance at end of the year	Exercisable	Non Exercisable
Nicholas Caré	300,000	-	-	-	300,000	200,000	100,000
John Manusu	800,000	-	-	-	800,000	533,333	266,667
Dr Hari Nair	200,000	-	-	-	200,000	133,333	66,667
Dr Choon Lee	200,000	-	-	-	200,000	133,333	66,667
Iain H. Sorrell	200,000	-	-	-	200,000	133,333	66,667
Total	1,700,000	-	-	-	1,700,000	1,133,332	566,668

Executives

2009	Balance at start of year	Granted as remuneration	Exercised during the year	Cancelled during the year	Balance at end of the year	Exercisable	Non Exercisable
Prakash Patel	300,000	-	-	300,000	-	-	-
Dr Greg Rogers	200,000	-	-	200,000	-	-	-
Dr John Andrews	200,000	-	-	200,000	-	-	-
Total	700,000	-	-	700,000	-	-	-

2008	Balance at start of year	Granted as remuneration	Exercised during the year	Other changes	Balance at end of the year	Exercisable	Non Exercisable
Prakash Patel	300,000	-	-	-	300,000	200,000	100,000
Dr Greg Rogers	200,000	-	-	-	200,000	133,333	66,667
Dr John Andrews	200,000	-	-	-	200,000	133,333	66,667
Brian Ayling	200,000	-	-	200,000	-	-	-
Total	900,000	-	-	200,000	700,000	466,666	233,334

Directors

2009	Total number of options granted	First Exercisable Date	Vesting	Value per Option at grant date	Exercise price per share	Total value of options granted	Expiry Date
Nicholas Caré	300,000	1 December 2006	100,000	$0.50	$0.12	$11,410	1 November 2009
		1 December 2007	100,000	$0.75	$0.09	$8,550	1 November 2010
		1 December 2008	100,000	$1.00	$0.08	$8,180	1 November 2011
John Manusu	800,000	1 December 2006	266,667	$0.50	$0.12	$30,427	1 November 2009
		1 December 2007	266,667	$0.75	$0.09	$22,800	1 November 2010
		1 December 2008	266,666	$1.00	$0.08	$21,813	1 November 2011
Dr Hari Nair	200,000	1 December 2006	66,667	$0.50	$0.12	$7,607	1 November 2009
		1 December 2007	66,667	$0.75	$0.09	$5,700	1 November 2010
		1 December 2008	66,666	$1.00	$0.08	$5,453	1 November 2011
Dr Choon Lee	200,000	1 December 2006	66,667	$0.50	$0.12	$7,607	1 November 2009
		1 December 2007	66,667	$0.75	$0.09	$5,700	1 November 2010
		1 December 2008	66,666	$1.00	$0.08	$5,453	1 November 2011
Iain Howard Sorrell	200,000	1 December 2006	66,667	$0.50	$0.12	$7,607	1 November 2009
		1 December 2007	66,667	$0.75	$0.09	$5,700	1 November 2010
		1 December 2008	66,666	$1.00	$0.08	$5,453	1 November 2011
Total			1,700,000			$159,460	

Executives

2009	Total number of options granted	First Exercisable Date	Vesting	Value per Option at grant date	Exercise price per share	Total value of options granted	Expiry Date
Prakash Patel	300,000	1 December 2006	100,000	$0.50	$0.12	$11,410	1 November 2009
		1 December 2007	100,000	$0.75	$0.09	$8,550	1 November 2010
		1 December 2008	100,000	$1.00	$0.08	$8,180	1 November 2011
Dr John Andrews	200,000	20 December 2006	66,667	$0.50	$0.12	$7,607	1 November 2009
		1 December 2007	66,667	$0.75	$0.09	$5,700	1 November 2010
		1 December 2008	66,666	$1.00	$0.08	$5,453	1 November 2011
Total			500,000			$46,900	

Directors' Report

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of NuSep Ltd support and have adhered to the principles of corporate governance. The company's corporate governance statement is contained in the following section of the annual report.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2009 has been received and can be found on page 58 of the Annual Report.

NON-AUDIT SERVICES

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2009:

Taxation Services $11,794.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors

John Manusu
Chairman

Sydney
30 September 2009

CORPORATE GOVERNANCE STATEMENT
30 June 2009

The Directors of NuSep are committed to achieving and demonstrating the highest standards of corporate governance. The Directors have noted carefully the guidelines on the principles of corporate governance issued by the Australian Stock Exchange Limited ("ASX") in March 2003, and revised in August 2007, and the ASX Corporate Governance Council guidance on principle 7 and support their intent. The Company's framework is largely consistent with the recommendations and exceeded them in some areas. Changes have been made to the Company's governance arrangements to further refine and align the Company's Corporate Governance with the ASX 8 point guidelines. The Company and its controlled entities together are referred to as the NuSep Group in this statement.

The relationship between the Board and the senior management is critical to NuSep's long term success. The Directors are responsible to the shareholders for the performance of NuSep in both the short and the longer term and seek to balance these sometime competing objectives in the best interests of NuSep as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure NuSep including its controlled entities are properly managed.

Day to day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) as set out in the Board Charter. These delegations are reviewed on an annual basis.

A description of NuSep main Corporate Governance practices are set out below. All of these practices, unless otherwise stated, have been in effect throughout the last financial year. NuSep has used the ASX 8 Corporate Governance principles as a framework against which to report its Corporate Governance principles.

1. Lay solid foundations for management and oversight

The NuSep Board Charter and Corporate Governance Guidelines states in section 3.3 that the Company *"Recognise the need for a clear division of the roles between the executive and non executive Board members"*.

The Board has adopted a formal charter that sets out the responsibilities reserved by the Board and those delegated to the Managing Director/CEO. The charter is reviewed annually to ensure it remains consistent with accepted practice in the context of the Board's objectives and responsibilities.

Specifically, the Board is charged with: setting the strategic direction of the organisation and monitoring management's performance within that framework; reviewing whether there are adequate resources available to meet Group objectives; appointing and removing the Managing Director and overseeing succession plans for the senior executive team; approving and monitoring financial reporting and capital management; approving and monitoring the progress of business objectives; assessing the risk management framework and whether appropriate procedures are being followed; ensuring that the Group has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate and social responsibility; and monitoring whether the Board is appropriately skilled to meet the changing needs of the company. The Board and its sub committees have no involvement in the operational role of the organisation.

The roles of Chairman and Managing Director are separated.

The Chairman is responsible for leading the Board in its duties, facilitating effective discussions at board meetings and ensuring procedures are in place to evaluate board performance. The Managing Director is responsible for the efficient and effective operation of the organisation, and for bringing material and other relevant matters to the attention of the Board in an accurate and timely matter.

2. Structure the board to add value

The NuSep Board Charter and Corporate Governance guideline states in section 4.1 that the Company "*shall have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties*".

Skills

A fundamental requirement of NuSep Directors is an understanding of the markets that the Company services. All Directors meet this threshold requirement. They also bring a diverse range of skills and backgrounds including accountancy, clinical trial, drug development, process development and international business skills. At 30 June 2009, the Board consists of three Directors (one non-executive and two executive). On 1 July 2009 an additional non-executive Director was appointed. The experience and qualifications of each Director and their terms of office are further discussed on pages 3-4 and pages 9-15.

Experience
The Directors have an appropriate mix of tenure, blending experience with new membership. The Board considers this mix invaluable. NuSep's business involves, converting the Company from an Australian based manufacturing and research organisation into the leading supplier to the BioSeparations market. Experience in mergers & acquisitions, managing cross border business, international licensing, joint ventures and manufacturing in the BioSeparations field is highly desirable. Such experience and judgment is required for effective decision-making. The Board considers that these Directors continue to exercise independent judgment in the task of enhancing shareholder value.

Appointment and removal
Board succession planning is considered an important part of the governance process. Progressive and orderly renewal of board membership is important. The appointment and removal of Directors is governed by the constitution, and by sections 4 & 5 of the Board Charter. The Board has not adopted a specific tenure threshold.

Independence
The Board has adopted a policy that generally a majority of its Director's must be independent using the definition of independence from the Guidelines which is set out below.

An independent Director is a non-executive Director and:

- Is not a substantial shareholder of the company or an officer of, or directly or indirectly associated with, a substantial shareholder of the company;
- Within the last three years has not been employed in an executive capacity by the company or another group member, or been a Director after ceasing to hold any such employment;
- Within the last three years has not been a principal of a material professional adviser or a material consultant to the company or another group member, or an employee materially associated with the service provided;
- Is not a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- Has no material contractual relationship with the company or another group member other than as a Director of the company;
- Has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the company;

The Board employs a materiality threshold in judging whether customer, supplier, consultant, shareholder or professional adviser relationships affect the independence of NuSep Directors.

The Board has adopted AASB standard 1031 to determine levels of materiality. A relationship is presumed immaterial when it represents less than 5% of NuSep issued capital or group revenue, and presumed material when it generates more than 10% of issued capital or group revenue during a twelve-month period in the absence of evidence or convincing argument to the contrary. In considering such evidence or argument NuSep considers the strategic value and other material but non-quantitative aspects of the relationship in question.

The Board has considered each relationship between its non-executive Directors and any shareholder, customer, supplier, consultant or professional adviser to NuSep. The Board has determined that none of these past or present relationships of Directors breaches the materiality threshold or otherwise compromises the independence of Directors.

The threshold for the purpose of assessing the materiality of relationships between a non-executive Director and NuSep (other than as a Director) is set according to the significance of that relationship to the Director in the context of their activities as a whole. No Director has a relationship considered significant enough to compromise their independence on the NuSep Board.

A list of each Director's commitments outside NuSep is set out on pages 3 and 4 of this report. A brief analysis of each non-executive Director's relationships with entities that have an association with NuSep is provided below.

1. Dr Hari Nair- non-executive Director till September 2008. Dr Nair has no commercial association with any customer to NuSep. Dr Nair till December 2007 was the CEO of Life Therapeutics Limited a company which supplies diagnostic products to NuSep. The total level of these transactions is insignificant to both companies and does not constitute a conflict of interest. Further Dr Nair provided consultancy services of $71,969 to NuSep during the period. Dr Nair is not a substantial shareholder in NuSep.
2. Mr Iain Howard Sorrell - non-executive Director. Mr Sorrell has no commercial association with any customer or supplier to NuSep. Mr Sorrell is not a substantial shareholder in NuSep.
3. Mr Nicholas Caré – non-executive Director. Mr Caré has no commercial association with any customer to NuSep. Mr Caré does not supply any consultancy or other professional services to NuSep. Mr Caré is not a substantial shareholder in NuSep. Mr Care resigned from the Board on 17 September 2008.

4. Dr Choon Lee - non-executive Director. Dr Lee has no commercial association with any customer or supplier to NuSep. Dr Lee is not a substantial shareholder in NuSep. Dr Lee resigned from the Board on 30 July 2008.

At each meeting of the Board, Directors table their current outside interests, if any. If it was considered that a Director had a material potential conflict, it would be noted and where appropriate the relevant Director absents himself or herself for that specific item of business. That decision is minuted. No such event has occurred during the last year.

Board Committees
The Board has established two committees, an Audit Committee and a Remuneration Committee. These committees have been established to assist the Board perform its duties. Each committee is constituted in accordance with a charter. These committees meet to discuss issues delegated to them and then make recommendations back to the Board. The Board considers these recommendations, but is not bound to accept the recommendations of the committees. The establishment of and delegation of tasks to the committees does not dilute the responsibilities of the Board as a whole.

The Nomination and Remuneration Committee of the Board comprises the independent non-executive Directors. The Committee's responsibilities cover all the matters recommended in the Guidelines, which included setting Director competence standards, reviewing succession plans, evaluating the Board's performance, making recommendations for the appointment and removal of Director's, making recommendations to the Board on executive director remuneration and incentive policies and the remuneration packages of non-executive directors. The committee also reviews NuSep recruitment; retention and termination policies; incentive schemes; superannuation arrangements and other Company remuneration policies. The Nomination and Remuneration Committee leads the process of selecting new Directors for consideration by the whole Board.

Directors are required to advise the Chairman, before accepting additional external directorships and give assurance that any new responsibilities will not interfere with the proper execution of their responsibilities to NuSep.

The Audit Committee is discussed below under point 4 on the next page.

Membership of the Board's committees and attendance by Directors at meetings is outlined on page 4.

Independent advice
NuSep Directors may seek external professional advice at the expense of the company on matters relating to their role as Directors of NuSep. However, they must first request approval from the Chairman which must not unreasonably be withheld. If permission is withheld the matter may be referred to the whole Board. No such request was made during the last year.

3 Promote ethical and responsible decision-making

NuSep Board Charter and Corporate Governance Guidelines states in section 1.1 that Directors "*seek to ensure that NuSep operates ethically, safely and profitably in the interest of all stakeholders*".

Code of Ethics and Conduct
NuSep' Board Charter promotes ethical and responsible decision-making by Directors and employees. The Charter requires high standards of honesty, integrity, fairness and equity in all aspects of employment with NuSep. The Charter also sets the task for management of delivering shareholder value, with the oversight of the Board, through the sustainable and efficient operation of the company. Specific obligations regarding fitness for office also apply to NuSep Directors and management by virtue of its role as a developer, a manufacturer and supplier of medical devices, diagnostic products, and potentially therapeutic products. NuSep has comprehensive policies and procedures in place for observing these requirements.

Employees sign acceptance of this code of ethics as part of their employment with NuSep.

Share Dealing Rules
NuSep also has formal Share Dealing Rules that set the parameters for dealing in the securities of NuSep and prohibit insider trading. While Directors and employees are encouraged to be long term shareholders in NuSep, the company has a policy on insider trading to prohibit short term trading.

The policy provides that Directors can only trade in the eight weeks following the announcement of the company's half and full year results and the eight weeks following the AGM. Share transactions at other times can only be undertaken with the Chairman's written approval.

Corporate Governance Education
All of NuSep corporate governance policies are available to staff on NuSep internal and external websites. To increase awareness and understanding of all these policies, NuSep incorporated a corporate governance section into the established induction program for new employees.

4. Safeguard integrity in financial reporting

NuSep Board Charter and Corporate Governance Guidelines states in section 7.3.3 that the Audit Committees' role is to "*establish and maintain a structure to independently verify and safeguard the integrity of the Company's financial reporting*".

NuSep believes its practices satisfy this principle.

NuSep has a highly structured six-monthly reporting process, culminating in Board sign-off and release of financial results to the market. Further, the Chief Executive Officer and Chief Financial Officer provide letters of assurance to the Board for each half-year and full-year result.

NuSep Audit Committee is constituted in accordance with the Guidelines, and its responsibilities and composition requirements are set out in the Audit Committee Charter.

The Audit Committee's primary responsibilities are to establish and maintain a structure to independently verify and safeguard the integrity of the company's financial reporting. In addition the committee reviews NuSep financial and external reporting; review and assess the external auditors' activities, scope and independence; review the management processes for the identification of significant business risks and exposures and oversee the monitoring of internal control structures, including controls against conflicts of interest and fraud. The Committee also has specific responsibility for recommending the appointment or dismissal of external auditors and monitoring any non-audit work carried out by the external audit firm. The procedures for appointment of an external auditor are outlined in the charter. No Director has any association, past or present, with NuSep external auditor.

Mr William Spee is the Chairman of the Audit Committee. The Audit Committee consists of all the non-executive directors and the CFO reports to this committee, although is not a member of the committee. The Committee may meet whenever necessary, and subsequently relays a summary of discussions and any significant matters arising to the Board followed by meeting minutes.

External audits

NuSep is scrutinized and audited by government, regulators, customers and investors. We view this scrutiny as a further validation of our efforts to maintain and promote the integrity of our markets, as well as the prudential operation of our systems.

During the period NuSep underwent two ISO and one supplier audits. These audits are undertaken in order to provide assurances to the market regulators and NuSep customers regarding the operational integrity of NuSep systems and processes.

No changes were made to the Audit Committee charter during the year.

5 Make timely and balanced disclosure

NuSep Board Charter and Corporate Governance Guidelines states in section 20.1 that the Company "*will at all times provide timely and balanced disclosure of all material matters concerning the Company to its stakeholders*".

NuSep fulfills its disclosure responsibilities absolutely and is proud of its disclosure record.

NuSep endeavours to keep stakeholders informed of developments through its quarterly newsletters. NuSep also offers all stakeholders the opportunity to receive announcements via email once they have been disclosed to the ASX.

The Senior Executives have ultimate authority and responsibility for approving market disclosure, which in practice is exercised in consultation with the Chairman. The Board reviews public announcements at each meeting, and considers disclosure obligations in the context of each item of business which comes before it.

NuSep considers its disclosed discussion of financial results meets the standards outlined in the Guidelines. This disclosure includes availability of materials on the NuSep website and provision of all information necessary for investors to make informed decisions about an investment in NuSep securities.

6 Respect the rights of shareholders

NuSep Board Charter and Corporate Governance Guidelines states in section 1.1 that the "*Directors act in the best interests of NuSep as a whole and with honesty and in good faith*".

NuSep has adopted a shareholder communication approach that identifies disclosure and transparency as important qualities for NuSep shareholders and prospective investors. NuSep therefore aims to provide good quality, clear communication with shareholders, using available methods and technologies.

A newsletter/ or updates are sent to all shareholders and other interested stakeholders on a regular basis. This newsletter updates developments over the last quarter and reports against the company's strategic goals.

NuSep views shareholder meetings as an opportunity for shareholders to meet with and question the Board and management of NuSep. NuSep external auditor attends all annual general meetings and is available to answer shareholder questions. For the annual general meeting to be held in November 2009, NuSep will also accept prior to the meeting, written questions from shareholders for the Chairman or auditors to answer at the meeting. Written answers to these questions will be available at the meeting and published on the website.

A copy of all investor presentations given in the last year are also available on the website.

NuSep website, www.nusep.com, is a key source of information for NuSep shareholders and prospective shareholders. NuSep places all company announcements on the site immediately following confirmation of their release to the market. Analyst briefing material is released as a company announcement. NuSep also displays annual and half-year reports to shareholders, speeches and presentations given by the Chairman, Managing Director and management and other useful business indicators including press releases and quarterly shareholder newsletters. Email is also an important method of communication for investors. All public announcements can be received by email when shareholders and other stakeholders provide their details to NuSep at www.nusep.com.

7 Recognise and manage risk

NuSep Board Charter and Corporate Governance Guidelines states in section 7.3.5 that the Audit Committee "*regularly reviews the adequacy, security and objectivity of the internal control framework and internal control and audit plan and assesses significant business risks identified by the executive management team through the committee*".

NuSep takes this responsibility seriously and has committed to put in place appropriate procedures for risk management.

Financial Risks

The Audit Committee has responsibility for reviewing the risk management framework within NuSep. It receives presentations from the heads of each division on risks of each business unit and risk containment measures adopted. Risk is broadly considered as anything that may impede the achievement of NuSep strategic goals.

The Audit Committee receives periodic reports that monitor compliance with existing statutory requirements.

CEO and CFO sign-off

NuSep has a Chief Executive Officer (CEO) and Chief Financial Officer (CFO) sign off. As of June 30, 2009, the sign off was done by Dr Hari Nair (CEO) and Mr Prakash Patel (CFO). This sign-off states to the Board in writing that to the best of their knowledge the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which operates efficiently and effectively in all material respects.

Operational Risks

NuSep operates in a highly regulated environment. The Company must meet all of the Governmental and regulatory requirements of the markets into which it operates, manufactures, distributes and sells. To ensure compliance, the company has a regulatory affair and quality assurance framework that has been accepted by Governmental organisations, regulatory bodies, partners, customers, and staff.

Senior executive officers play an important role in maintaining a company-wide commitment to compliance with applicable requirements and regulations. The regulatory and quality functions report directly to the CEO.

Support for NuSep regulatory compliance and quality assurance principles is achieved throughout the Company by:

- Educating employees about all applicable government rules and regulations that affect the operation of the Company;
- Monitoring and Auditing compliance to all applicable rules and regulations that affect the operation of the Company;
- Identifying, investigating, and reporting (in a timely manner) any detected deviations, errors, and/or accidents from applicable requirements and regulations that affect the operation of the Company. Included in these investigations is a root-cause analysis and a corrective action/preventive action (CAPA) system to prevent recurrence of the problem;
- Incorporating regulatory and quality endpoints into the KPI's of all employees.

Ensuring compliance to the regulatory and quality assurance principles is demonstrated by the employment of regulatory and quality assurance staff who report directly to the CEO, performing internal audits, and auditing performed by the regulatory bodies including, the ISO9000 Quality Management Systems registrar and the Australian Therapeutic Goods Administration.

8 Remunerate fairly and responsibly

NuSep Board Charter and Corporate Governance Guidelines states in section 7.4.2 that the Remuneration and Nomination Committee will "*ensure that procedures are in place to remunerate Directors, senior executives and staff sufficiently and reasonable and that this reward is tied to the corporate and individuals performance*".

NuSep Board has put in place a number of measures to implement this principle as disclosed and demonstrated by the public future sales and profit projections.

Discussion on NuSep remuneration policies of non-executive Directors, executive Directors and senior executives of the company and the relationship between such policy and the company's performance is provided in the Directors' report.

Income Statement
For the year ended 30 June 2009

	Notes	CONSOLIDATED GROUP 2009 $	CONSOLIDATED GROUP 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Continuing operations					
Revenue	3	**2,048,229**	1,610,892	**1,792,643**	1,601,316
Cost of sales	4	**(1,119,521)**	(1,482,987)	**(916,745)**	(1,430,271)
Gross Profit		**928,708**	127,905	**875,898**	171,045
Other Income	3	**118,952**	103,383	**342,793**	318,307
Marketing expenses		**(972,078)**	(1,010,770)	**(66,908)**	(314,373)
General and Administration expenses		**(2,618,796)**	(1,938,442)	**(2,983,282)**	(2,953,974)
Research and Development expenses		**-**	(2,520,465)	**-**	(2,520,465)
Finance cost expenses	4	**(198,109)**	(92,132)	**(184,228)**	(81,778)
Loss before income tax		**(2,741,323)**	(5,330,521)	**(2,015,727)**	(5,381,238)
Income tax expense	6	**-**	-	**-**	-
Loss after tax from continuing operations		**(2,741,323)**	(5,330,521)	**(2,015,727)**	(5,381,238)
Net loss for the period		**(2,741,323)**	(5,330,521)	**(2,015,727)**	(5,381,238)
Net loss attributable to members of parent		**(2,741,323)**	(5,330,521)	**(2,015,727)**	(5,381,238)
Earnings per share	7	**Cents**	Cents		
– basic for loss for the year		**(126.0)**	(557.0)		
– diluted for loss for the year		**(126.0)**	(557.0)		

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

Balance Sheet
As at 30 June 2009

	Notes	CONSOLIDATED GROUP 2009 $	CONSOLIDATED GROUP 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
CURRENT ASSETS					
Cash and cash equivalents	8	**33,403**	695,560	**21,892**	683,545
Trade and other receivables	10	**864,150**	444,971	**4,340,366**	1,171,599
Inventories	11	**292,737**	374,491	**-**	290,379
Other current assets	12	**38,874**	32,886	**-**	25,724
TOTAL CURRENT ASSETS		**1,229,164**	1,547,908	**4,362,258**	2,171,247
NON-CURRENT ASSETS					
Cash and cash equivalents	13	**-**	867,286	**-**	867,286
Financial assets	14	**855,000**	855,000	**-**	855,000
Property, plant and equipment	15	**1,686,736**	1,785,590	**-**	1,773,622
Intangible assets	16	**1,985,696**	-	**-**	-
TOTAL NON-CURRENT ASSETS		**4,527,432**	3,507,876	**-**	3,495,908
TOTAL ASSETS		**5,756,596**	5,055,784	**4,362,258**	5,667,155
CURRENT LIABILITIES					
Trade and other payables	17	**4,358,492**	2,561,056	**2,908,546**	2,294,049
Short-term provisions	18	**174,665**	154,265	**-**	147,174
TOTAL CURRENT LIABILITIES		**4,533,157**	2,715,321	**2,908,546**	2,441,223
NON-CURRENT LIABILITIES					
Other liabilities	19	**1,553,155**	1,192,788	**1,553,155**	1,192,788
Long-term provisions	20	**68,755**	46,318	**-**	46,318
TOTAL NON-CURRENT LIABILITIES		**1,621,910**	1,239,106	**1,553,155**	1,239,106
TOTAL LIABILITIES		**6,155,067**	3,954,427	**4,461,701**	3,680,329
NET ASSETS/(LIABILITIES)		**(398,471)**	1,101,357	**(99,443)**	1,986,826
EQUITY					
Issued capital	21	**11,021,258**	10,602,240	**11,021,258**	10,602,240
Reserves	22	**1,549,485**	727,008	**235,617**	725,177
Retained losses		**(12,969,214)**	(10,227,891)	**(11,356,318)**	(9,340,591)
TOTAL EQUITY		**(398,471)**	1,101,357	**(99,443)**	1,986,826

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

Statement of Changes in Equity
For the year ended 30 June 2009

Consolidated Group 2008	Issued Capital $	Foreign currency translation Reserve $	Share options Reserve $	Financial Assets Reserve $	Accumulated Losses $	Total Equity $
Balance at 30 June 2007 (as reported in the financial report for year ended 30 June 2008)	6,619,971	50,313	77,390	-	(4,947,228)	1,800,446
Adjustment relating to AASB 121 (refer to note 5)	-	(49,858)	-	-	49,858	-
Restated balance 30 June 2007	6,619,971	455	77,390	-	(4,897,370)	1,800,446
Transaction costs on share issue	(340,817)	-	-	-	-	(340,817)
Adjustment for translation of foreign controlled entities	-	1,376	-	-	-	1,376
Total income and expense for the period recognised directly in equity	6,279,154	1,831	77,390	-	(4,897,370)	1,461,005
Loss for the period	-	-	-	-	(5,330,521)	(5,330,521)
Total income and expense for the period	6,279,154	1,831	77,390	-	(10,227,891)	(3,869,516)
Contributed capital	4,323,086	-	-	-	-	4,323,086
Revaluation of investment	-	-	-	555,000	-	555,000
Cost of share based payment	-	-	92,787	-	-	92,787
Restated balance 30 June 2008	10,602,240	1,831	170,177	555,000	(10,227,891)	1,101,357
Consolidated Group 2009	**$**	**$**	**$**	**$**	**$**	**$**
Balance 1 July 2008	10,602,240	1,831	170,177	555,000	(10,227,891)	1,101,357
Transaction costs on share issue	(404,839)	-	-	-	-	(404,839)
Currency translation difference	-	(6,526)	-	-	-	(6,526)
Total income and expense for the period recognised directly in equity	10,197,401	(4,695)	170,177	555,000	(10,227,891)	689,992
Loss for the period	-	-	-	-	(2,741,323)	(2,741,323)
Total income and expense for the period	10,197,401	(4,695)	170,177	555,000	(12,969,214)	(2,051,331)
Issue of share capital	823,857	-	-	-	-	823,857
Revaluation of fixed assets	-	-	-	763,563	-	763,563
Cost of share based payment	-	-	65,440	-	-	65,440
Balance 30 June 2009	**11,021,258**	**(4,695)**	**235,617**	**1,318,563**	**(12,969,214)**	**(398,471)**

Parent Entity 2008	Issued Capital $	Foreign currency translation Reserve $	Share options Reserve $	Financial Assets Reserve $	Accumulated Losses $	Total Equity $
Balance 1 July 2007	6,619,971	-	77,390	-	(3,959,353)	2,738,008
Transaction costs on share issue	(340,817)	-	-	-	-	(340,817)
Total income and expense for the period recognised directly in equity	6,279,154	-	77,390	-	(3,959,353)	2,397,191
Loss for the period	-	-	-	-	(5,381,238)	(5,381,238)
Total income and expense for the period	6,279,154	-	77,390	-	(9,340,591)	(2,984,047)
Contributed capital	4,323,086	-	-	-	-	4,323,086
Revaluation of investment	-	-	-	555,000	-	555,000
Cost of share based payment	-	-	92,787	-	-	92,787
Balance 30 June 2008	10,602,240	-	170,177	555,000	(9,340,591)	1,986,826
Parent Entity 2009	**$**	**$**	**$**	**$**	**$**	**$**
Balance 1 July 2008	10,602,240	-	170,177	555,000	(9,340,591)	1,986,826
Transaction costs on share issue	(404,839)	-	-	-	-	(404,839)
Total income and expense for the period recognised directly in equity	10,197,401	-	170,177	555,000	(9,340,591)	1,581,987
Loss for the period	-	-	-	-	(2,015,727)	(2,015,727)
Total income and expense for the period	10,197,401	-	170,177	555,000	(11,356,318)	(433,740)
Issue of share capital	823,857	-	-	-	-	823,857
Revaluation of investment	-	-	-	(555,000)	-	(555,000)
Cost of share based payment	-	-	65,440	-	-	65,440
Balance 30 June 2009	**11,021,258**	**-**	**235,617**	**-**	**(11,356,318)**	**(99,443)**

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

Cash Flow Statement
For the year ended 30 June 2009

	Notes	CONSOLIDATED GROUP 2009 $	CONSOLIDATED GROUP 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Cash flows from operating activities					
Receipts from customers		**1,650,369**	1,423,162	**1,073,922**	1,205,101
Payments to suppliers and employees		**(1,838,836)**	(6,040,484)	**(1,028,690)**	(5,112,616)
Government grants		**562,384**	555,468	**562,384**	555,468
Interest received		**51,093**	97,052	**51,093**	97,052
Finance costs		**(24,395)**	(33,245)	**(10,514)**	(22,891)
Net cash flows provided by/(used in) operating activities	9 (a)	**400,615**	(3,998,047)	**648,195**	(3,277,886)
Cash flows from investing activities					
Proceeds on sale of property, plant & equipment		**81,610**	-	**81,610**	-
Purchase of property, plant and equipment		**(147,234)**	(98,491)	**(6,852)**	(86,236)
Purchase of other non-current assets		**(1,985,696)**	-	**-**	-
Redemption of term deposit		**867,288**	132,714	**867,286**	132,714
Advance to controlled entities		**-**	-	**(2,373,152)**	(724,240)
Net cash flows provided by/(used in) investing activities		**(1,184,032)**	34,223	**(1,431,108)**	(677,762)
Cash flows from financing activities					
Proceeds from issue of shares		**894,917**	3,965,022	**894,917**	3,965,022
Share issue costs		**(746,824)**	(340,818)	**(746,824)**	(340,818)
Proceeds from borrowings		**105,425**	954,289	**105,425**	954,289
Repayment of borrowings		**(132,258)**	(127,735)	**(132,258)**	(127,735)
Net cash flows provided by financing activities		**121,260**	4,450,758	**121,260**	4,450,758
Net increase/(decrease) in cash and cash equivalents		**(662,157)**	486,934	**(661,653)**	495,110
Cash and cash equivalents at beginning of year		**695,560**	208,626	**683,545**	188,435
Cash and cash equivalents at end of year	8	**33,403**	695,560	**21,892**	683,545

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

1. CORPORATE INFORMATION

This financial report includes the consolidated financial statements and notes of NuSep Ltd and controlled entities ('Consolidated Group'), and the separate financial statements and notes of NuSep Ltd as an individual parent entity ('Parent Entity'). NuSep is a listed public company, incorporated and domiciled in Australia

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

Reporting Basis and Conventions
The financial report has been prepared on an accruals basis and is based on historical costs modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a) Going Concern

This financial report has been prepared on a going concern basis as the Directors consider that the company and its controlled entities have access to sufficient cash resources to enable them to continue as going concerns. The company and its controlled entities recorded operating losses for the year in line with forecast expectation of $2,741,323 and the consolidated balance sheet discloses a net liability position of $398,471. Additionally, current liabilities exceed current assets in the consolidated entity by $3,303,993. While these adverse financial conditions indicate material uncertainty that may cast doubt about the company and its controlled entities' ability to continue as going concerns, the directors believe that the going concern basis of preparing financial statements is appropriate, due to the following factors:

- A Share Purchase Offer was issued in August 2009 that was underwritten for $1million. Over 400 shareholder's took up the offer and $2.8million was raised as equity, as disclosed in Note 29;
- The parent company is also in advanced negotiations with regards to obtaining an equity facility, and has obtained a non binding offer from a global investor for consideration and review;
- Results for the half year ended June 2009 were a significant improvement on the first 6 months of the 2009 financial year and revenues increased in excess of 26% over the first six month period, with strong forward orders at the date of this financial report;
- The company and controlled entities have invested significantly in the United States operations and profits are expected from that segment for the 2010 financial year, due to increased sales revenue from the promotion of the gel products and the success of the launch of the separation instruments, the MF10 and SpermSep;
- Extensive cost rationalisation exercises have taken place and savings of over $1million are expected in rent and related costs for the 2010 financial year;
- The company and its controlled entities have capitalised significant development costs in respect of intangible assets and the additional revenue from these assets is expected from October 2009;
- The Directors regularly monitor the consolidated entity's cash position and on an on-going basis consider a number of strategic and operational plans to ensure that adequate funding continues to be available for the company and its controlled entities to meet their business objectives.

Based on the above, the Directors consider that the company and consolidated entity will have access to sufficient cash resources for the twelve month period from the date of this financial report to enable the company to continue as a going concern and that it is appropriate to adopt that basis of accounting in its preparation.

No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the company and its controlled entities be unable to continue as going concerns.

Accounting Policies

b) Principles of Consolidation

A controlled entity is any entity over which NuSep Ltd has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 26 to the financial statements. All controlled entities have a June financial year-end.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

c) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

d) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of standard cost.

e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment
Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation
The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Plant and equipment	10% - 33%
Leasehold improvements	14% - 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

g) Financial Instruments

Initial Recognition and Measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement
Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:
(i) the amount at which the financial asset or financial liability is measured at initial recognition;
(ii) less principal repayments;
(iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
(iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) *Loans and receivables*
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at cost.

(ii) *Available-for-sale financial assets*
Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(iii) *Financial Liabilities*
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at cost.

Fair value
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions and reference to similar instruments.

Impairment
At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Derecognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

h) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

i) Investments

Interest in controlled entities are carried at the lower of cost or net realisable amount and reviewed at each balance date to reflect the parent entity's interest in the underlying net assets of the controlled entity.

Interest in non-controlled entities are carried at the estimated fair value amount and reviewed at each balance date to reflect the parent entity's interest in the underlying net assets of the non-controlled entity.

j) Intangible Assets

a) Research and Development Costs
Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

b) Patents and Trademarks
Costs associated with Patents and Trademarks are expensed in the year in which they are incurred, unless the expenditure will generate future economic benefits.

k) Foreign Currency Transactions and Balances

Functional and presentation currency
The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies
The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:
- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

l) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Equity-settled Compensation
The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

m) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

n) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts would be shown within short-term borrowings in current liabilities on the balance sheet.

o) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised for the major business activities as follows:

a) Sale of goods
A sale is recorded when goods or services have been despatched to a customer pursuant to a sales order and the associated risks and rewards of ownership have passed to the customer. Where cash is received for goods not yet despatched revenue is deferred until risk and rewards of ownership is transferred to the customer.

b) Interest Income
Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

c) Management fees
Management fees are charged to the subsidiaries for applicable head office expenses incurred. Management fees are eliminated on consolidation.

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

p) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

q) Borrowing costs

Borrowing costs are recognised in income in the period in which they are incurred.

r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST amount except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

s) Comparatives figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

t) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates – Impairment
The group assesses impairment at each reporting date by evaluating conditions and events specific to the group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a binomial or Black Scholes option pricing model, using the assumptions detailed in note 24.

These critical estimates and judgments have also been made, namely:
(i) the Group being successful in obtaining additional funding;
(ii) promotion of its gel products in the U.S. and the successful launch of the separation instrument, the MF10 and SpermSep.
(iii) a claim of $629,487 has been filed against NxGen Pharmaceuticals Pty Limited under the terms of the Implementation Deed dated 28 November 2008 for the costs related to the NxGen acquisition by NuSep.
(iv) inline with company policy appropriate development costs for the year have been capitalised.
(v) the fair value of the unlisted investments has been estimated using valuation techniques that may not be supported by observable market prices or rates. At 30 June 2009 NuSep had a 16% equity interest in the entity. Management have also relied on a prior expert independent valuation report of the investment and believes the estimated fair value recorded in the balance sheet and the related changes in fair value recorded in equity are reasonable and the most appropriate at the balance sheet date.

u) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

- AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1,2,4,5,7,101,107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136] (applicable for annual reporting periods commencing from 1 January 2009). These standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application. In this regard, its impact on the Group will be unable to be determined. The following changes to accounting requirements are included:

- acquisition costs incurred in a business combination will no longer be recognised in goodwill but will be expensed unless the cost relates to issuing debt or equity securities;
- contingent consideration will be measured at fair value at the acquisition date and may only be provisionally accounted for during a period of 12 months after acquisition;
- a gain or loss of control will require the previous ownership interests to be remeasured to their fair value;

- there shall be no gain or loss from transactions affecting a parent's ownership interest of a subsidiary with all transactions required to be accounted for through equity (this will not represent a change to the Group's policy);
- dividends declared out of pre-acquisition profits will not be deducted from the cost of an investment but will be recognised as income;
- impairment of investments in subsidiaries, joint ventures and associates shall be considered when a dividend is paid by the respective investee; and
- where there is, in substance, no change to Group interests, parent entities inserted above existing groups shall measure the cost of its investments at the carrying amount of its share of the equity items shown in the balance sheet of the original parent at the date of reorganisation.

The Group will need to determine whether to maintain its present accounting policy of calculating goodwill acquired based on the parent entity's share of net assets acquired or change its policy so goodwill recognised also reflects that of the non-controlling interest.

- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's Board for the purposes of decision making. While the impact of this standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management does not presently believe impairment will result however.

- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income.

  There will be no measurement or recognition impact on the Group. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the Group as a policy of capitalising qualifying borrowing costs has been maintained by the Group.

- AASB 2008-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.

- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.

  The Group does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Group's financial statements.

The financial report was authorised for issue in accordance with a resolution of the Directors on 30 September 2009.

2. Segment Reporting

a) Business segments

The consolidated entity is organised on a global basis into the following divisions by product and service type.

Consumable Products

The development, manufacture and distributes of pre-cast electrophoresis gels and other biological products into the marketplace. Distribution is based in Atlanta, Munich and Sydney with manufacturing in Sydney

Separations

Develops and markets the Gradiflow technology in both the commercial and research markets, including the MF10 and SpermSep devices. The business unit is based in Sydney.

Corporate & shared services

This division conducts corporate functions of the organisation.

b) Geographical segments

Although the consolidated entity's divisions are managed on a global basis they operate in 3 main geographical areas:

Australia - The home country of the parent entity which is also the main operating entity.
USA -A focus market with distribution channels in place across all divisions.
Europe -Comprises mainly of operations from the Consumable products division.
Other countries -Comprises of sales to countries in addition to USA, Australia and Europe.

Further comments on the operations and the results of those operations are set out in the Directors' report.

2009	**Consumable products** $	**Separations** $	**Corporate & Shared Services** $	**Consolidated** $
Revenues from sales or services	1,535,377	512,852	-	**2,048,229**
Revenues from outside the operating activities:				
Interest	-	-	44,761	**44,761**
Gain on sale of assets	-	-	74,191	**74,191**
Total segment revenue	1,535,377	512,852	118,952	**2,167,181**
Profit/(Loss) from ordinary activities	193,100	(210,195)	(2,724,228)	**(2,741,323)**
Profit/(Loss) from ordinary activities after income tax expense	193,100	(210,195)	(2,724,228)	**(2,741,323)**
Depreciation and amortisation expense	80,599	7,695	320,814	**409,108**
Segment assets	1,157,172	2,154,420	2,390,004	**5,701,596**
Segment liabilities	475,864	435,606	5,243,597	**6,155,067**
Acquisition of capital assets	93,923	2,010,083	28,924	**2,132,930**
Cash flow information				
Net cash flow from Operating activities	708,144	120,718	(428,247)	**400,615**
Net cash flow from Investing activities	(93,923)	(2,010,083)	919,974	**(1,184,032)**
Net cash flow from Financing activities	-	-	121,260	**121,260**

2008	**Consumable products** $	**Separations** $	**Corporate & Shared Services** $	**Consolidated** $
Revenues from sales or services	1,310,330	300,562	-	**1,610,892**
Revenues from outside the operating activities:				
Interest	-	-	103,383	**103,383**
Other	-	-	-	**-**
Total segment revenue	1,310,330	300,562	103,383	**1,714,275**
Profit/(Loss) from ordinary activities	(1,604,464)	(1,886,367)	(1,839,690)	**(5,330,521)**
Profit/(Loss) from ordinary activities after income tax expense	(1,604,464)	(1,886,367)	(1,839,690)	**(5,330,521)**
Depreciation and amortisation expense	122,921	101,089	363,394	**587,404**
Segment assets	658,822	337,078	4,059,884	**5,055,784**
Segment liabilities	417,138	630,653	2,906,636	**3,954,427**
Acquisition of capital assets	5,990	10,964	81,537	**98,491**
Cash flow information				
Net cash flow from Operating activities	(563,668)	(83,860)	(3,350,519)	**(3,998,047)**
Net cash flow from Investing activities	(5,990)	(10,964)	51,177	**34,223**
Net cash flow from Financing activities	-	-	4,450,758	**4,450,758**

Geographical segments

Although the consolidated entity's divisions are managed on a global basis they operate in the following geographical areas being Australia, USA and Europe.

	Segment revenues		**Segment assets**	
	2009	2008	**2009**	2008
	$	$	**$**	$
Australia	**728,071**	642,434	**5,503,349**	4,881,034
USA	**1,255,070**	937,391	**198,247**	174,750
Europe	**63,205**	18,888	**-**	-
Other countries	**1,883**	12,179	**-**	-
	2,048,229	1,610,892	**5,701,596**	5,055,784

Segment accounting policies

Segment information is prepared in conformity with the accounting policies of the entity as disclosed in note 1 and accounting standard, AASB 114 Segment Reporting. Segment revenue, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis.

Segment assets include all assets used by a segment and consist primarily of receivables, inventory, plant & equipment and deposits.

3. Revenue

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Revenue				
Revenue from sales or services	**1,625,743**	1,311,678	**1,373,829**	1,302,102
Government grants	**422,486**	299,214	**418,814**	299,214
	2,048,229	1,610,892	**1,792,643**	1,601,316
Finance and other revenue				
Interest received from other persons	**44,761**	103,383	**44,761**	103,383
Management fees	**-**	-	**223,841**	214,924
Gain on sale of assets	**74,191**	-	**74,191**	-
	118,952	103,383	**342,793**	318,307
Total Revenue	**2,167,181**	1,714,275	**2,135,436**	1,919,623

4. Loss for the Year

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Expenses				
Cost of sales of goods	**1,119,521**	1,482,987	**916,745**	1,430,271
Depreciation:				
Plant and equipment	**145,581**	329,314	**141,167**	329,030
Leasehold improvements	**263,527**	258,090	**263,527**	258,090
Total depreciation	**409,108**	587,404	**404,694**	587,120
Finance costs:				
Interest expense – other related parties	**198,109**	92,132	**84,228**	81,778
Net loss on disposals of property, plant and fitout related to Frenchs Forest lease surrender	**603,193**	-	**13**	-
Exchange (gains)/losses	**(32,450)**	172,092	**(36,995)**	172,092
Salaries and wages including benefits	**2,175,107**	2,346,310	**1,222,874**	1,964,407
Share based payments	**65,440**	92,787	**65,440**	92,787
Rental expense relating to operating leases including costs related to Frenchs Forest lease surrender	**1,781,349**	808,209	**1,741,585**	804,974
Write-off of obsolete stock	**62,975**	280,270	**31,883**	171,619
Impairment of receivables -wholly-owned subsidiary	**-**	-	**1,371,000**	880,000

5. Prior Period Adjustment

The following prior period adjustments relate to exchange differences arising at period end in relation to the foreign currency intercompany loans receivable from overseas subsidiaries the repayment of which is neither planned nor likely and are therefore more correctly included as part of the Parent Entity's net investment in foreign operations. Consequently, in accordance with AASB 121, such foreign exchange differences are recognised separately in equity on consolidation.

At 30 June 2007 an unrealised foreign exchange loss of $49,858 was recognised in the Income Statement. This resulted in the foreign currency translation reserve being overstated by $49,858 and conversely the retained earnings attributable to members of the parent entity was understated by $49,858. This adjustment has resulted in the loss after tax at 30 June 2007 decreasing by $49,858 to $4,897,370. Due to this adjustment, basic and diluted earnings per share at 30 June 2007 have increased from (62.3) cents per share to (61.7) cents per share.

At 30 June 2008 an unrealised foreign exchange loss of $165,669 was recognised in the Income Statement. This resulted in the foreign currency translation reserve being overstated by $165,669 and conversely the retained earnings attributable to members of the parent entity was understated by $165,669. This adjustment has resulted in the loss after tax at 30 June 2008 decreasing by $165,669 to $5,330,521. Due to this adjustment, basic and diluted earnings per share at 30 June 2008 have increased from (28.7) cents per share to (27.9) cents per share.

6. Income Tax Expense

The major components of income tax expense are:
Income tax

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Accounting loss before tax from continuing operations	**(2,741,323)**	(5,330,521)	**(2,015,727)**	(5,381,238)
Accounting loss before income tax	**(2,741,323)**	(5,330,521)	**(2,015,727)**	(5,381,238)
The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:				
Prima facie tax receivable on loss from ordinary activities before income tax at 30% (2008; 30%)	**(822,397)**	(1,599,156)	**(604,718)**	(1,614,371)
Add:				
Tax effect of:				
Reverse research and development	**603,559**	756,139	**486,185**	756,139
R&D clawback	**62,822**	44,882	**62,822**	44,882
Impairment of subsidiary receivable	-	-	**411,300**	264,000
Less:				
Tax effect of:				
Foreign exchange profits	**-**	(1,797)	**-**	(1,797)
Section 40-880 deduction - legal	**(56,434)**	(32,144)	**(56,434)**	(32,144)
Research and development @125%	**(754,449)**	(945,174)	**(607,732)**	(945,174)
	(966,899)	(1,777,250)	**(308,576)**	(1,528,465)
Adjustments for current tax of prior periods	**70,477**	(56,414)	**70,477**	(56,414)
Income tax benefit not reported in the consolidated income statement	**(896,422)**	(1,833,664)	**(238,099)**	(1,584,879)
Income tax expense recorded in Income Statement	**-**	-	**-**	-

Deferred income tax
Deferred income tax at 30 June 2009 relates to the following:

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Deferred Tax Liabilities				
Other	7,741	1,899	-	1,899
Total Deferred Tax Liability	7,741	1,899	-	1,899
Deferred Tax Assets				
Provisions and employee benefits	109,820	88,519	-	77,042
Other	464,071	283,907	799,023	535,441
Total Deferred Tax Asset	573,891	372,426	799,023	612,483

The Group has separate tax entities within Australia and the United States. Both tax jurisdictions have tax losses which are not recognised. The tax losses are available, indefinitely for offset against future taxable profits of the companies in which losses arose within each tax jurisdiction.

At 30 June 2009, the Group did not recognise any deferred tax assets or deferred tax liabilities.

7. Earnings per share

The following reflects the income and share data used in the basic and diluted earning per share computation:

	Consolidated Group	
	2009	2008
	$	$
Loss after tax from continuing operations	**(2,741,323)**	(5,330,521)
Net loss for the year	**(2,741,323)**	(5,330,521)

	Consolidated Group	
	2009	2008
	Cents	Cents
Earnings per share *		
– basic for loss for the year	**(126)**	(557)
– diluted for loss for the year	**(126)**	(557)
Weighted average number of shares used as the denominator *		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**2,173,401**	956,687
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**2,173,401**	956,687

* In March 2009, post approval at the EGM, the share capital of the company was consolidated on a 1 for 20 basis. The issued capital of the company reduced from 45,965,467 shares to 2,298,907 shares. The above figures have been adjusted to reflect this consolidation.

Information concerning the classification of securities

Options

Options granted under the NuSep Directors, Employee and Consultants Share Option Plan is considered to be potential ordinary shares and have not been included in the determination of diluted earnings per share as they are considered anti-dilutive. The options have not been included in the determination of basic earnings per share. In March 2009, all share options were cancelled. Details relating to the options are set out in note 24.

8. Current Assets – Cash and Cash Equivalents

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Cash at bank	**33,403**	695,560	**21,892**	683,545

9. (a) Reconciliation of operating loss to net cash provided by operating activities

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Loss from ordinary activities after income tax expense:	**(2,741,323)**	(5,330,521)	**(2,015,727)**	(5,381,238)
Adjustment for non-cash items:				
Depreciation & Amortisation	**409,108**	587,404	**404,694**	587,120
Share option liability	**65,440**	92,787	**65,440**	92,787
Provision for impairment of receivables - wholly-owned subsidiary	**-**	-	**1,371,000**	880,000
Net (gain)/loss on sale/disposal of assets	**603,193**	-	**13**	-
Lease liability increase	**107,159**	(164,383)	**92,993**	(164,383)
Transfer non-current assets & non-current liabilities to controlled entity	**-**	-	**(903,923)**	-
Director loans interest & expenses	**352,011**	-	**352,011**	-
Intercompany transactions	**148**	-	**-**	-
FX translation reserve	**156,043**	(215,528)	**-**	-
Net exchange differences on changes in operating assets & liabilities	**(247,857)**	1,376	**-**	-
	(1,296,078)	(4,813,337)	**(633,499)**	(3,985,714)
Change in operating assets and liabilities:				
Decrease/(Increase) in inventories	**81,754**	97,706	**290,380**	77,296
Decrease/(Increase) in trade debtors	**(147,754)**	79,897	**602,009**	(128,591)
Decrease/(Increase) in other operating assets	**(5,988)**	7,498	**25,724**	12,304
Increase/(Decrease) in trade creditors	**721,201**	226,825	**346,034**	431,040
Increase/(Decrease) in short term provisions	**45,497**	84,853	**(197,174)**	51,603
Increase/(Decrease) in other operating liabilities	**979,546**	318,850	**261,039**	264,515
Increase/(Decrease) in long term provisions	**22,437**	(339)	**(46,318)**	(339)
Net cash inflows/(outflows) from operating activities	**400,615**	(3,998,047)	**648,195**	(3,277,886)

Non-cash financing and investing activities

Non-cash financing and investing activities are outlined below.

	Consolidated		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Shares issued in lieu of services				
Shares issued in lieu of services	**287,005**	-	**287,005**	-

10. Current Assets – Trade and Other Receivables

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Trade receivables	**56,707**	58,570	**-**	33,214
Other receivables	**807,443**	386,401	**783,593**	386,400
Receivable from wholly-owned entities	**-**	-	**4,927,773**	1,631,985
Provision for impairment of receivables - wholly-owned subsidiary	**-**	-	**(1,371,000)**	(880,000)
	864,150	444,971	**4,340,366**	1,171,599

Provision For Impairment of Receivables

Current trade and term receivables are non-interest bearing loans and generally on 30-day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is an objective evidence that an individual trade or term receivable is impaired. These amounts have been included in the other expenses item.

Movement in the provision for impairment of receivables is as follows:

	Opening Balance 1.7.2007	Charge for the Year	Others	Closing Balance 30.6.2008
2008	**$**	**$**	**$**	**$**
Parent Entity				
Receivables from wholly-owned subsidiaries	-	880,000	-	880,000

	Opening Balance 1.7.2008	Charge for the Year	Others	Closing Balance 30.6.2009
2009	**$**	**$**	**$**	**$**
Parent Entity				
Receivables from wholly-owned subsidiaries	880,000	1,371,000	(880,000)	1,371,000

Credit Risk — Trade and Other Receivables

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 10. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

On a geographical basis, the Group has significant credit risk exposures in Australia and the United States of America given the substantial operations in those regions.

11. Current Assets – Inventories

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Raw materials – at cost	**228,659**	259,523	**-**	259,523
Finished goods – at cost	**137,653**	201,767	**-**	88,884
Less: provision for obsolete inventory	**(73,575)**	(86,799)	**-**	(58,028)
	292,737	374,491	**-**	290,379

12. Current Assets – Other Assets

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Prepayments	**38,874**	32,886	**-**	25,724

13. Non Current Assets – Cash and cash equivalents

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Cash at bank	**-**	867,286	**-**	867,286

Refer to Note 27(d)(ii) for further details.

14. Non Current Assets – Financial Assets

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Available-for-sale financial assets				
Shares in unlisted corporation	**855,000**	855,000	**-**	855,000

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

The fair value of the unlisted investments has been estimated using valuation techniques that may not be supported by observable market prices or rates. At 30 June 2009 NuSep had a 16% equity interest in the entity. Management have also relied on a prior expert independent valuation report of the investment and believes the estimated fair value recorded in the balance sheet and the related changes in fair value recorded in equity are reasonable and the most appropriate at the balance sheet date.

15. Non-current Assets – Property, plant and equipment

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Plant and equipment – at cost	**1,092,766**	1,168,817	**-**	1,156,565
Less: accumulated depreciation	**(4,328)**	(722,823)	**-**	(722,539)
Total property, plant and equipment	**1,088,438**	445,994	**-**	434,026
Leasehold improvements – at cost	**598,298**	1,859,002	**-**	1,859,002
Less: accumulated amortisation	**-**	(519,406)	**-**	(519,406)
Total leasehold improvements	**598,298**	1,339,596	**-**	1,339,596
Total property, plant and equipment	**1,686,736**	1,785,590	**-**	1,773,622

Movements in Carrying Amounts

Movement in the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

	Plant & Equipment $	Leasehold Improvements $	Total $
Consolidated 2008			
Carrying amount at 1 July 2007	704,460	1,570,045	2,274,505
Additions	70,848	27,641	98,489
Disposals	-	-	-
Depreciation & amortisation expense	(329,314)	(258,090)	(587,404)
Carrying amount at 30 June 2008	445,994	1,339,596	1,785,590
Consolidated 2009			
Carrying amount at 1 July 2008	445,994	1,339,596	1,785,590
Additions	21,825	125,409	147,234
Revaluation	763,563	-	763,563
Disposals	(13)	(603,180)	(603,193)
Depreciation & amortisation expense	(145,581)	(263,527)	(409,108)
Unrealised foreign exchange adjustment	2,650	-	2,650
Carrying amount at 30 June 2009	**1,088,438**	**598,298**	**1,686,736**

	Plant & Equipment $	Leasehold Improvements $	Total $
Parent Entity 2008			
Carrying amount at 1 July 2007	704,460	1,570,045	2,274,505
Additions	58,596	27,641	86,237
Disposals	-	-	-
Depreciation & amortisation expense	(329,030)	(258,090)	(587,120)
Carrying amount at 30 June 2008	434,026	1,339,596	1,773,622
Parent Entity 2009			
Carrying amount at 1 July 2008	434,026	1,339,596	1,773,622
Additions	6,852	-	6,852
Disposals	(13)	-	(13)
Depreciation & amortisation expense	(141,167)	(263,527)	(404,694)
Transfer to controlled entity	(299,698)	(1,076,069)	(1,375,767)
Carrying amount at 30 June 2009	**-**	**-**	**-**

During the year certain assets were transferred from parent to its fully owned subsidiary.

16. Non-current Assets – Intangible Assets

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Internal development – at cost	**1,985,696**	-	**-**	-
Less: accumulated amortisation	**-**	-	**-**	-
Total intangible assets	**1,985,696**	-	**-**	-

Reconciliations
Reconciliations of the carrying amounts of intangible assets at the beginning and end of the current financial year are set out below.

	$
Consolidated 2009	
Carrying amount at 1 July 2008	-
Additions	-
Internal development	1,985,696
Disposals	-
Amortisation expense	-
Carrying amount at 30 June 2009	**1,985,696**

Intangible assets, have finite useful lives. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

The following useful life is being used in the calculation of amortisation:- Capitalised Development 10 years.

17. Current liabilities – Trade and Other Payables

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Unsecured Liabilities				
Trade payables	**1,857,730**	1,136,527	**1,446,575**	1,100,541
Unearned revenue	**479,752**	336,183	**479,752**	336,183
Deferred revenue	**-**	164,383	**-**	164,383
Lease liability	**540,974**	-	**526,807**	-
Other creditors and accruals	**1,480,036**	923,963	**455,412**	692,942
	4,358,492	2,561,056	**2,908,546**	2,294,049

Trade creditors represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Included in other creditors is the advance by the directors of the company (refer 24(e)).

18. Current liabilities – Provisions

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Provision for employee benefits	**174,665**	154,265	**-**	147,174

19. Non-current liabilities – Other Payables and Liabilities

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Unsecured Liabilities				
Deferred revenue	**-**	671,233	**-**	671,233
Lease liability	**401,802**	-	**401,802**	-
Other creditors	**1,151,353**	521,555	**1,151,353**	521,555
	1,553,155	1,192,788	**1,553,155**	1,192,788

20. Non-current liabilities – Provisions

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Provision for employee benefits	**68,755**	46,318	**-**	46,318

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Provision for employee benefits				
Opening balance 1 July 2008	**200,583**	197,234	**193,492**	192,229
Provision utilised	**(119,627)**	(182,395)	**(94,481)**	(168,425)
Provision expense	**162,464**	185,744	**119,915**	169,688
Transfer to controlled entity	**-**	-	**(218,926)**	-
Closing balance 30 June 2009 (Notes 18 & 20)	**243,420**	200,583	**-**	193,492

Analysis of Total Provisions

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Current provision for employee benefits (note 18)	**174,665**	154,265	**-**	147,174
Non-current provision for employee benefits (note 20)	**68,755**	46,318	**-**	46,318
Aggregate employee benefit and related on-costs liabilities	**243,420**	200,583	**-**	193,492

21. Issued Capital

	Consolidated Group and Parent Entity		Consolidated Group and Parent Entity	
	2009	2008	**2009**	2008
	Shares *	Shares *	**$**	$
(a) Share Capital				
Ordinary Shares – fully paid	**2,298,907**	2,057,342	**11,021,258**	10,602,240

(b) Movements in ordinary share capital of the company during the period were as follows:

	30 June 2009	30 June 2008
	$	$
Balance at 1 July	**10,602,240**	6,619,971
Share issue under share placement/ offer	**72,000**	4,323,086
Share issue in lieu of fees	**287,005**	-
Unalloted shares	**464,852**	-
	11,426,097	10,943,057
Less - transaction costs arising on share issues	**(404,839)**	(340,817)
Balance at 30 June	**11,021,258**	10,602,240

	30 June 2009 Number of Shares *	30 June 2008 Number of Shares
Balance at 1 July	**2,057,342**	532,922
Share issue under share placement/ offer	**67,500**	1,524,420
Share issue in lieu of fees	**174,065**	-
Balance at 30 June	**2,298,907**	2,057,342

* In March 2009, post approval at the EGM, the share capital of the company was consolidated on a 1 for 20 basis. The issued capital of the company reduced from 45,965,467 shares to 2,298,907 shares. The above figures have been adjusted to reflect this consolidation.

(c) Ordinary Shares

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

(d) Listed Options

There were no listed Options on issue during the 30 June 2009 year.

(e) Unlisted Options

Set out in the table below are summaries of options issued, exercised and lapsed during the year.

Grant date	Expiry date	Vesting commencement date	Exercise price	Balance at start of year	Issued during the year	Exercised during the year	Lapsed /Cancelled during the year	Balance at end of the year
Consolidated and parent entity – 2009:								
Third party Options								
1 December 2006	1 November 2009	1 December 2006	$0.50	62,500	-	-	62,500	-
Directors Option								
1 December 2006	1 November 2009	1 December 2006	$0.50	566,667	-	-	566,667	-
1 December 2006	1 November 2010	1 December 2007	$0.75	566,667	-	-	566,667	-
1 December 2006	1 November 2011	1 December 2008	$1.00	566,666	-	-	566,666	-
Executives Option								
1 December 2006	1 November 2009	1 December 2006	$0.50	100,000	-	-	100,000	-
1 December 2006	1 November 2010	1 December 2007	$0.75	100,000	-	-	100,000	-
1 December 2006	1 November 2011	1 December 2008	$1.00	100,000	-	-	100,000	-
20 December 2006	1 November 2009	20 December 2006	$0.50	133,333	-	-	133,333	-
20 December 2006	1 November 2010	1 December 2007	$0.75	133,333	-	-	133,333	-
20 December 2006	1 November 2011	1 December 2008	$1.00	133,334	-	-	133,334	-
				2,462,500	-	-	2,462,500	-

Grant date	Expiry date	Vesting commencement date	Exercise price	Balance at start of year	Issued during the year	Exercised during the year	Lapsed /Cancelled during the year	Balance at end of the year
Consolidated and parent entity – 2008:								
Third party Options								
1 December 2006	1 November 2009	1 December 2006	$0.50	25,000	37,500	-	-	62,500
Directors Option								
1 December 2006	1 November 2009	1 December 2006	$0.50	566,667	-	-	-	566,667
1 December 2006	1 November 2010	1 December 2007	$0.75	566,667	-	-	-	566,667
1 December 2006	1 November 2011	1 December 2008	$1.00	566,666	-	-	-	566,666
Executives Option								
1 December 2006	1 November 2009	1 December 2006	$0.50	100,000	-	-	-	100,000
1 December 2006	1 November 2010	1 December 2007	$0.75	100,000	-	-	-	100,000
1 December 2006	1 November 2011	1 December 2008	$1.00	100,000	-	-	-	100,000
20 December 2006	1 November 2009	20 December 2006	$0.50	133,333	-	-	-	133,333
20 December 2006	1 November 2010	1 December 2007	$0.75	133,333	-	-	-	133,333
20 December 2006	1 November 2011	1 December 2008	$1.00	133,334	-	-	-	133,334
1 April 2007	1 November 2009	1 April 2007	$0.50	66,667	-	-	66,667	-
1 April 2007	1 November 2010	1 December 2007	$0.75	66,667	-	-	66,667	-
1 April 2007	1 November 2011	1 December 2008	$1.00	66,666	-	-	66,666	-
				2,625,000	37,500	-	200,000	2,462,500

(f) Capital Management

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern. The group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and share issues. There have been no changes in the strategy adopted by management to control the capital of the group since the prior year.

22. Reserves

Nature and purpose of reserves

Share options reserve
This option reserve records items recognised as expenses on valuation of employee share options.

Financial Assets Reserve
The financial assets reserve records revaluation of financial assets.

Foreign currency translation reserve
The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

23. Auditors' Remuneration

	Consolidated Group		**Parent Entity**	
	2009	2008	**2009**	2008
	$	$	**$**	$
Amounts receivable or due and receivable by RSM Bird Cameron Partners for:				
Audit & Assurance services				
Audit and review of financial reports	**43,542**	33,000	**43,542**	33,000
Audit services related to 2007 audit	**-**	6,500	**-**	6,500
Other services				
Tax compliance services	**11,794**	5,800	**-**	5,800
Total remuneration for services	**55,336**	45,300	**43,542**	45,300

24. Directors and executive disclosures

(a) Details of Key Management Personnel

(i) Directors

John Manusu	Executive Chairman
Dr Hari Nair	Managing Director/CEO
Iain Howard Sorrell	Non-executive Director
William Spee	Non-executive Director (Appointed 1 July 2009)
Nicholas Caré	Chairman Non-executive (Resigned 17 September 2008)
Dr Choon Lee	Non-executive Director (Resigned 30 July 2008)

(ii) Executives

Prakash Patel	Chief Financial Officer and Company Secretary
Dr John Andrews	Chief Scientific Officer
Barry Holman	VP Sales

(b) Remuneration of Key Management Personnel

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Short-term employee benefits	**1,145,282**	1,021,529	**903,332**	907,500
Post-employment benefits	**42,667**	48,308	**42,667**	48,308
Share-based payments	**103,397**	71,279	**103,397**	71,279
	1,291,346	1,141,116	**1,049,396**	1,027,087

(c) Share based compensation - Options

Options remuneration has been calculated in accordance with the fair value measurements provisions of AASB 2 “Share Based Payments” in line with transitioning NuSep accounting policies and financial reporting from current Australian Standards to Australian equivalents of IFRS (AIFRS).

The fair value of each option is estimated on grant date using Black-Scholes option pricing model, with the following assumptions used:

	2009
Dividend yield	0%
Risk-free interest rate	6.03% - 6.09%
Historical volatility	45%
Expected volatility	45%
Expected option life	2 - 5 years

The amount of options remuneration is determined on a pro rata basis, by expensing the fair value estimate of each option over the vesting period and the individual option grant. The share based expenses for options remuneration has been recognised as an expense in the income statement and held as part of the share options reserve in the balance sheet.

During the financial year options were granted as equity compensation benefits to certain directors and executives as disclosed below. The options were free of charge. Each option entitles holders to subscribe for one fully paid ordinary share in NuSep Ltd at the exercise price shown on the following pages.

(i) Options holding of directors and executives

Directors

2009	Balance at start of the year	Granted as remuneration	Exercised during the year	Cancelled during the year	Balance at end of the year	Exercisable	Non Exercisable
Nicholas Caré	300,000	-	-	300,000	-	-	-
John Manusu	800,000	-	-	800,000	-	-	-
Dr Hari Nair	200,000	-	-	200,000	-	-	-
Dr Choon Lee	200,000	-	-	200,000	-	-	-
Iain H. Sorrell	200,000	-	-	200,000	-	-	-
Total	1,700,000	-	-	1,700,000	-	-	-

2008	Balance at start of the year	Granted as remuneration	Exercised during the year	Cancelled during the year	Balance at end of the year	Exercisable	Non Exercisable
Nicholas Caré	300,000	-	-	-	300,000	200,000	100,000
John Manusu	800,000	-	-	-	800,000	533,333	266,667
Dr Hari Nair	200,000	-	-	-	200,000	133,333	66,667
Dr Choon Lee	200,000	-	-	-	200,000	133,333	66,667
Iain H. Sorrell	200,000	-	-	-	200,000	133,333	66,667
Total	1,700,000	-	-	-	1,700,000	1,133,332	566,668

Executives

2009	Balance at start of the year	Granted as remuneration	Exercised during the year	Cancelled during the year	Balance at end of the year	Exercisable	Non Exercisable
Prakash Patel	300,000	-	-	300,000	-	-	-
Dr Greg Rogers	200,000	-	-	200,000	-	-	-
Dr John Andrews	200,000	-	-	200,000	-	-	-
Total	700,000	-	-	700,000	-	-	-

2008	Balance at start of the year	Granted as remuneration	Exercised during the year	Cancelled during the year	Balance at end of the year	Exercisable	Non Exercisable
Prakash Patel	300,000	-	-	-	300,000	200,000	100,000
Dr Greg Rogers	200,000	-	-	-	200,000	133,333	66,667
Dr John Andrews	200,000	-	-	-	200,000	133,333	66,667
Brian Ayling	200,000	-	-	200,000	-	-	-
Total	900,000	-	-	200,000	700,000	466,666	233,334

(ii) Options granted & vesting period

Directors

2009	Granted during the year	First Exercisable Date	Vesting	Value per Option at grant date	Exercise price per share	Value of options granted during the year	Expiry Date
Nicholas Caré	300,000	1 December 2006	100,000	$0.50	$0.12	$11,410	1 November 2009
		1 December 2007	100,000	$0.75	$0.09	$8,550	1 November 2010
		1 December 2008	100,000	$1.00	$0.08	$8,180	1 November 2011
John Manusu	800,000	1 December 2006	266,667	$0.50	$0.12	$30,427	1 November 2009
		1 December 2007	266,667	$0.75	$0.09	$22,800	1 November 2010
		1 December 2008	266,666	$1.00	$0.08	$21,813	1 November 2011
Dr Hari Nair	200,000	1 December 2006	66,667	$0.50	$0.12	$7,607	1 November 2009
		1 December 2007	66,667	$0.75	$0.09	$5,700	1 November 2010
		1 December 2008	66,666	$1.00	$0.08	$5,453	1 November 2011
Dr Choon Lee	200,000	1 December 2006	66,667	$0.50	$0.12	$7,607	1 November 2009
		1 December 2007	66,667	$0.75	$0.09	$5,700	1 November 2010
		1 December 2008	66,666	$1.00	$0.08	$5,453	1 November 2011
Iain Howard Sorrell	200,000	1 December 2006	66,667	$0.50	$0.12	$7,607	1 November 2009
		1 December 2007	66,667	$0.75	$0.09	$5,700	1 November 2010
		1 December 2008	66,666	$1.00	$0.08	$5,453	1 November 2011
Total			1,700,000			$159,460	

Executives

2009	Granted during the year	First Exercisable Date	Vesting	Value per Option at grant date	Exercise price per share	Value of options granted during the year	Expiry Date
Prakash Patel	300,000	1 December 2006	100,000	$0.50	$0.12	$11,410	1 November 2009
		1 December 2007	100,000	$0.75	$0.09	$8,550	1 November 2010
		1 December 2008	100,000	$1.00	$0.08	$8,180	1 November 2011
Dr John Andrews	200,000	20 December 2006	66,667	$0.50	$0.12	$7,607	1 November 2009
		1 December 2007	66,667	$0.75	$0.09	$5,700	1 November 2010
		1 December 2008	66,666	$1.00	$0.08	$5,453	1 November 2011
Total			500,000			$46,900	

(iii) Options exercised during the year

No options were exercised during the year. At 30 June 2009 all options had been cancelled.

(d) Shareholding of directors and executives

The numbers of shares in the company held during the financial year by each current Director, and executives of NuSep Ltd and its subsidiaries are set out below. There were no shares granted during the reporting period as compensation.

Directors

Name	Balance at start of the year	Ordinary shares issued resulting on the exercise of options	Other changes	Balance at the end of the year
John Manusu	69,970	-	36,986	106,956
Dr Hari Nair	1,407	-	2,874	4,281
Iain Howard Sorrell	1,782	-	4,449	6,231
Total	73,159	-	44,309	117,468

Executives

Name	Balance at start of the year	Ordinary shares issued resulting on the exercise of options	Other changes	Balance at the end of the year
Prakash Patel	2,446	-	-	2,446
Barry Holman	25	-	-	25
Total	2,471	-	-	2,471

(e) Other transactions with key management personnel

i) The current Directors partially underwrote the share purchase offer under the prospectus dated 10 August 2009 for $225,000 of the capital raising. Underwriting fees were paid on normal commercial terms and conditions.

ii) During the year the Directors advanced further secured loans to the Company, the loans were advanced to cover working capital. At 30 June 2009 $661,574 was the loan balance due to the current Directors plus interest. The loans are on normal commercial terms and conditions with an interest rate of 14% -16%.

(iii) Dr Nair provided consultancy services of $71,969 to NuSep during the year prior to his appointment as CEO of NuSep.

25. Related party transactions

(a) Ultimate Parent

NuSep Ltd (incorporated in Australia) is the ultimate parent entity.

(b) Wholly-owned group transactions

Transactions between NuSep Ltd and other entities in the wholly-owned group during the year ended 30 June 2009 consist of the distribution of electrophoresis gels, biological products and provision of marketing services by NuSep Inc and provision of management services and loans advanced by NuSep Ltd.

	Parent entity	
	2009	2008
	$	$
Aggregate amounts included in the determination of profit from ordinary activities before income tax that resulted from transactions with entities in the wholly-owned group:		
Sale of finished product	**359,316**	266,769
Aggregate amounts receivable from entities in the wholly-owned group at balance date, non trade receivable are non interest bearing:		
Receivables	**4,927,773**	1,631,985

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 24.

26. Controlled entities

	Cost of Parent Entity's investment 2009 $	2008 $
Share in controlled entities – at cost	-	-

Name of entity	Country of Incorporation	Class of share	Equity Holding 2009 %	2008 %
Subsidiaries of NuSep Ltd:				
NuSep, Inc	United States	Ordinary	100	100
SpermGen Pty Limited	Australia	Ordinary	100	100
Prime BioSeparations Ltd	Australia	Ordinary	100	-

Prime BioSeparations Ltd commence trading on 1 April 2009.

27. Financial Risk Management Policies

The group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and loans to and from subsidiaries.

(a) Credit Risk Exposures

The carrying amounts of financial assets included in the consolidated balance sheet represent the economic entity's maximum exposure to credit risk in relation to these assets. The company minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with strong, creditworthy customers across all business segments.

(b) Interest Rate Risk Exposures

The following table sets out the Group's exposure to interest rate risk, re-pricing maturities and the effective interest rates on financial instruments at balance date.

			Fixed Interest Rate			
Consolidated Group	**Notes**	**Floating interest rate**	**1 year or less**	**1 to 5 years**	**Non-interest bearing**	**Total**
30 June 2009		**$**	**$**	**$**	**$**	**$**
Financial assets						
Cash on hand	8	33,403	-	-	-	33,403
Cash on deposit	13	-	-	-	-	-
Trade & Other debtors	10	-	-	-	864,150	864,150
Total financial assets		33,403	-	-	864,150	897,553
Financial liabilities						
Trade creditors	17	-	-	-	1,857,730	1,857,730
Other creditors & accruals	17,19	-	-	1,151,353	1,959,788	3,111,141
Total financial liabilities		-	-	1,151,353	3,817,518	4,968,871
Net financial assets/(liabilities)		**33,403**	**-**	**(1,151,353)**	**(2,953,368)**	**(4,071,318)**
Weighted average effective interest rate		2.15%	-	16.00%	-	-

			Fixed Interest Rate			
Parent Entity	**Notes**	**Floating interest rate**	**1 year or less**	**1 to 5 years**	**Non-interest bearing**	**Total**
30 June 2009		**$**	**$**	**$**	**$**	**$**
Financial assets						
Cash on hand	8	21,892	-	-	-	21,892
Cash on deposit	13	-	-	-	-	-
Trade & Other debtors	10	-	-	-	5,711,366	5,711,366
Total financial assets		21,892	-	-	5,711,366	5,733,258
Financial liabilities						
Trade creditors	17	-	-	-	1,446,576	1,446,576
Other creditors & accruals	17,19	-	-	1,151,353	935,164	2,086,517
Total financial liabilities		-	-	1,151,353	2,381,740	3,533,093
Net financial assets/(liabilities)		**21,892**	**-**	**(1,151,353)**	**3,329,626**	**2,200,165**
Weighted average effective interest rate		2.15%	-	16.00%	-	-

			Fixed Interest Rate			
Consolidated Group	**Notes**	**Floating interest rate**	**1 year or less**	**1 to 5 years**	**Non-interest bearing**	**Total**
30 June 2008		**$**	**$**	**$**	**$**	**$**
Financial assets						
Cash on hand	8	562,846	132,714	-	-	695,560
Cash on deposit	13	-	867,286	-	-	867,286
Trade & Other debtors	10	-	-	-	444,971	444,971
Total financial assets		562,846	1,000,000	-	444,971	2,007,817
Financial liabilities						
Trade creditors	17	-	-	-	1,136,527	1,136,527
Other creditors & accruals	17,19	-	305,000	521,555	955,146	1,781,701
Total financial liabilities		-	305,000	521,555	2,091,673	2,918,228
Net financial assets/(liabilities)		562,846	695,000	(521,555)	(1,646,702)	(910,411)
Weighted average effective interest rate		7.15%	9.31%	14.00%	-	-

	Notes	Floating interest rate	Fixed Interest Rate 1 year or less	1 to 5 years	Non-interest bearing	Total
Parent Entity						
30 June 2008		**$**	**$**	**$**	**$**	**$**
Financial assets						
Cash on hand	8	550,831	132,714	-	-	683,545
Cash on deposit	13	-	867,286	-	-	867,286
Trade & Other debtors	10	-	-	-	1,171,600	1,171,600
Total financial assets		550,831	1,000,000	-	1,171,600	2,722,431
Financial liabilities						
Trade creditors	17	-	-	-	1,100,541	1,100,541
Other creditors & accruals	17,19	-	305,000	521,555	724,126	1,550,681
Total financial liabilities		-	305,000	521,555	1,824,667	2,651,222
Net financial assets/(liabilities)		550,831	695,000	(521,555)	(653,067)	71,209
Weighted average effective interest rate		7.15%	9.31%	14.00%	-	-

(c) Foreign Exchange Risk

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

A significant portion of the Company's customers are either US based or are billed in US dollars. This creates a natural hedge against foreign exchange risk. Inventory is held in the US and the balance sheet can be affected by movements in the US$/A$ exchange rates.

At 30 June 2009, had the Australian Dollar moved as illustrated in the table below, with all other variables held constant, the post tax loss and equity would have been affected as follows:

Judgments on reasonably possible movements:

	Post tax loss Higher/(Lower) 2009 $	2008 $
Consolidated Group		
AUD/USD +10%	**(229,916)**	(194,576)
AUD/USD – 10%	**229,916**	194,576
Parent Entity		
AUD/USD +10%	**(125,874)**	(106,737)
AUD/USD – 10%	**125,874**	106,737

(d) Net Fair Value of Financial Assets and Liabilities

(i) On-Balance Sheet

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity approximates their carrying amounts.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

(ii) Off-Balance Sheet

There are no off balance sheet financial assets and liabilities as at 30 June 2009. In 2008 the company had on issue a $1.0m bank guarantee as a rental bond and had a cash deposit with BankWest to cover the facility.

28. Capital and Leasing Commitments

(a) Capital commitments
There are no commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities.

(b) Operating Lease Commitments

	Consolidated		**Parent Entity**	
	2009	2008	**2009**	2008
	$	$	**$**	$
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:				
Within one year	**194,038**	825,391	**-**	806,593
Later than one year but not later than 5 years	**339,816**	3,263,982	**-**	3,226,371
Later than 5 years	**-**	127,711	**-**	127,711
	533,854	4,217,084	**-**	4,160,675
Representing:				
Non-cancellable operating leases	**533,854**	4,217,084	**-**	4,160,675
	533,854	4,217,084	**-**	4,160,675

At 30 June 2009 the Group has two operating lease for its commercial properties. This non-cancellable leases has remaining a non-cancellable lease term of 2-3 years. The commercial property leases also includes a clause to enable upward revision of the rental charge on commercially negotiated terms.

At 30 June 2008 the Parent had a non-cancellable lease with a remaining lease term of 5 year totalling $4,160,675. The company in 2009 negotiated the surrender of the Frenchs Forest lease and the premises were vacated in June 2009.

29. Events After The Balance Sheet Date

The following events occurred subsequent to 30 June 2009:

a) The Company released on 10 August 2009 a Share Purchase Offer (SPO) Prospectus for the Offer for up to 10million shares at an issue price of 20 cents per Share to shareholders to raise up to $2millon.

b) The Company on 14 September 2009 announced that it has raised over $2.8million under the Share Purchase Offer (SPO) that closed on 4 September 2009. On the issue of these shares, the company now has a total issued capital of approximately 16.6million ordinary shares.

c) A claim of $629,487 has been filed against NxGen Pharmaceuticals Pty Limited under the terms of the Implementation Deed dated 28 November 2008 for the costs related to NxGen acquisition by NuSep.

Except for the items discussed above no other matters or circumstances have arisen since 30 June 2009 that have significantly affected, or may significantly affect:

(a) The consolidated entity’s operations in future financial years, or
(b) The results of those operations in future financial years, or
(c) The consolidated entity’s state of affairs in future financial years.

30. Company Details

The registered office of the company is:
324 Burns Bay Road
Lane Cove, NSW 2066
Australia

Directors' Declaration

The directors of the company declare that:

1 the financial statements and notes, as set out on pages 23 to 56, are in accordance with the *Corporations Act 2001* and:

(a) comply with Accounting Standards and

(b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the company and consolidated group:

2 the Chief Executive Officer and Chief Financial Officer have each declared that:

(a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001;*

(b) the financial statements and notes for the financial year comply with the Accounting Standards; and

(c) the financial statements and notes for the financial year give a true and fair view.

3 in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

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

John Manusu
Chairman

Sydney
30 September 2009

RSM Bird Cameron Partners
Chartered Accountants

Level 12, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001
T +61 2 9233 8933 F +61 2 9233 8521
www.rsmi.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of NuSep Ltd for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

G SHERWOOD
Partner

Sydney, NSW
Dated: 30th September 2009

RSM! Bird Cameron Partners
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

NUSEP LTD

Report on the Financial Report

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

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 Australian Accounting Standards (including the 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 ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Independence

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

Auditor's Opinion

In our opinion:

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

(i) giving a true and fair view of the company and its controlled entities financial position as at 30 June 2009 and of their performance for the year ended on that date; and

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

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

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1a) in the financial report which indicates that the company and its controlled entities incurred net losses of $2,741,323 during the year ended 30 June 2009 and, as of that date, the consolidated entity's current liabilities exceeded its current assets by $3,303,993. These conditions, along with other matters as set forth in Note 1a), indicate the existence of a material uncertainty which may cast significant doubt about the company's and its controlled entities' ability to continue as going concerns and, therefore, whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 16 of the directors' report for the financial year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of NuSep Ltd for the financial year ended 30 June 2009 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

G SHERWOOD
Partner

Sydney, NSW
Dated: 30th September 2009

Shareholder Information

The shareholder information set out below was applicable as at 22 September 2009.

A. Distribution Of Equity Securities

Analysis of numbers of equity security holders by size of holding:

	Number of Ordinary Shares
1 – 1,000	1,278
1,001 – 5,000	370
5,001 – 10,000	71
10,001 – 100,000	303
100,001 – Over	13
	2,035

There were 1,547 holders of less than a marketable parcel of ordinary shares, total shares held is 550,961 and represents 3.3% of total issued capital.

B. Equity Security Holders

Twenty Largest Quoted Equity Security Holders

The name of the twenty largest holders of quoted equity securities are listed below:

	Ordinary Shares	
	Number Held	Percentage of issued shares
Nutsville Pty Ltd	1,000,000	6.02
Cafalo Pty Ltd	623,125	3.75
Locope Pty Ltd	505,000	3.04
Mr Andrew Doyle	500,000	3.01
Mr Anthony Mark Loughnan	418,782	2.52
Gaston Renard Pty Ltd	409,204	2.46
Hammond Royce Corporation Pty Ltd	309,095	1.86
Luckystone Pty Ltd	150,000	0.90
Mr Gregory George Morris & Mrs Lynette Marion	104,149	0.63
Vale Superannuation Company Pty Ltd	101,285	0.61
Mr Noel Bayley & Mrs Yve Dorothy Bayley	101,060	0.61
Ubs Wealth Management Australia Nominees Pty Ltd	100,363	0.60
Octifil Pty Ltd	100,100	0.60
Frere & Associates Pty Ltd	100,000	0.60
Mr Allan Marsden Ritchie	100,000	0.60
Mr Christopher Lindsay	94,001	0.57
Mr Czeslaw Czapla & Mr Zdzislaw Czapla	90,942	0.55
Mr William Peter Spee	85,971	0.52
Mr Aldo D'astoli & Mr Jason D'astoli	81,059	0.49
Mr Johannes Gerardus Spee & Mrs Lesley Kaye Spee	77,000	0.46
	5,051,136	30.42

C. Substantial Shareholders as at 22 September 2009.

Ordinary shares

	Number held	Percentage
Nutsville Pty Ltd	1,000,000	6.02
Cafalo Pty Ltd	623,125	3.75

D. Unquoted Equity Securities

	Number on Issue	Number of Holders
NuSep Directors, Employee and Consultants Option Plan	-	-
	-	-

E. Voting Rights

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary Shares
On a show of hands, one vote for every member or proxy of a member present and entitled to vote. On a poll, every member shall have one vote for each fully paid share held.

(b) Options
No voting rights.

Corporate Directory

NuSep Ltd
ABN 33 120 047 556

Directors
John Manusu (Executive Chairman)
Dr Hari Nair (Managing Director)
Iain Howard Sorrell (Non-executive Director)
William Spee (Non-executive Director)

Company Secretary
Prakash Patel

Registered Office
324 Burns Bay Road
Lane Cove, NSW 2066
Australia

Tel: 61 2 9420 8384
Fax: 61 2 9427 8614
Email: info@nusep.com
Website: www.nusep.com

Share Registry
Registries Limited
Level 7, 207 Kent Street
Sydney, NSW 2000
Australia

Solicitors
David Landa Stewart
86 Bay Street
Boardway, NSW 2007

Auditors
RSM Bird Cameron Partners
Level 12, 60 Castlereagh Street
Sydney, NSW 2000