



NuSep
Experts in protein discovery

Annual Report

2012



The PrIME Technology

What is PrIME

PrIME stands for **Preparative Isolation Membrane Electrophoresis**. The PrIME Technology is a platform technology that separates charged particles using a combination of electrical charge and size separation membranes. The PrIME Technology has a wide range of potential applications from water purification through to separating viruses from milk.

The first two commercial applications of the PrIME Technology are:

- ▶ **Therapeutic Plasma Products** – PrIME Biologics – Current market size US\$10B;
- ▶ **Isolation of Healthy Sperm for IVF** – SpermGen – Current market size US\$300M.

NuSep's Business Model

NuSep is the developer of the PrIME Technology. NuSep's strategy is to develop applications of the PrIME Technology and other innovative separation technologies to generate sales of both equipment and associated consumables. Initially, NuSep has had to develop the applications of the PrIME Technology in order to seed the technology. The first such application is the manufacture of therapeutic plasma products. NuSep will generate significant sales income from the supply of PrIME instruments and membranes.



As each new application of the PrIME Technology is developed, NuSep will receive additional sales of equipment and consumables. To put this into perspective, each new plasma facility built by PrIME Biologics will generate approximately \$3m in consumables revenue each year.

PrIME Biologics Business Model

PrIME Biologics uses NuSep's PrIME Technology to manufacture high valued therapeutic plasma products. PrIME Biologics' goal is to open up the Asian therapeutic plasma market, particularly the

There are a number of other applications of the PrIME Technology for which initial proof of principle work has been undertaken including:

- ▶ Recombinant products – Current market size US\$60B; and
- ▶ Renal Dialysis – Current market size US\$12B.

In all of these applications the PrIME Technology offers significant advantages over currently used separation modalities including cost, higher purity and added safety. Significantly there are many other applications of PrIME that NuSep can commercialise in the future.

untapped Currently Unprocessable Plasma (CUP) markets in Asia.

Entry into the Asian Therapeutic plasma market requires PrIME Biologics to undertake a 40 patient clinical study in Singapore in order to obtain a product licence from Singapore's Health Sciences Authority (HSA).

This clinical study will allow PrIME Biologics to start sales of the products it is developing. Separately, once PrIME Biologics has cGMP approval from the HSA for its Singapore facility, it will receive plasma from India and process this in Singapore for export back to India. The product shipped back to India will be reformulated in India for sale.



Evolution of the PrIME Technology

The Past

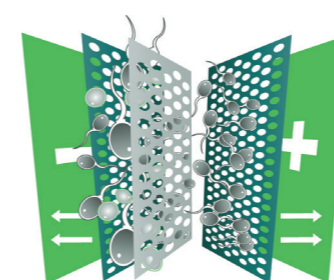
NuSep sees the PrIME Technology very much like a tree. The trunk represents the backbone of the technology and each of the branches represents a separate application.

The initial invention of the PrIME dates back to the early 1980's when Haematologist and Researcher, Dr Joel Margolis, teamed up with Veterinary Surgeon, Dr Perry Manusu, to develop the PrIME Technology. Joel and Perry developed the PrIME Technology into a workable prototype capable of separating plasma products. Why plasma products? Joel was a Haematologist who developed the first method of producing FVIII that was AIDS free in 1981 giving him great insight to therapeutic plasma manufacturing. This process was subsequently adopted by CSL who manufactured FVIII for many years using the 'Margolis method'.

In 1998, Dr Hari Nair, a Haematologist with a research speciality in coagulation proteins joined Dr Perry Manusu. Hari developed key applications including the separation and purification of fibrinogen, albumin and IVIG from human plasma using the PrIME Technology. He further showed that the PrIME Technology could successfully remove prions, viruses, bacteria and endotoxins over and above those that existing processes could achieve. This proved that the PrIME Technology can simultaneously purify proteins whilst enhancing product safety – something which processes such as chromatography can only achieve in multiple steps.

There is no doubt that NuSep is standing on the shoulders of Joel, Perry and now Hari. As

SpermGen's Business Model



SpermGen uses NuSep's PrIME Technology to improve the success rate of couples using IVF to have babies. This is the first improvement in Sperm preparation which contributes significantly to the success of IVF pregnancies. It is SpermGen's goal to open up the worldwide IVF market by offering a significant improvement in the success rate for IVF pregnancies.

NuSep undertook an initial Clinical Trial in 2008 that showed the SpermSep, a device which isolates healthy, undamaged spermatozoa, was as efficacious and safe as the existing methodology.

a Company and shareholders we owe these innovative researchers a debt of gratitude.

NuSep Developments

As with any disruptive technology¹ PrIME Technology will only be adopted when existing products cannot meet the customer's needs. The CUP² market is a case in point for the PrIME Technology. For regulatory reasons the existing processes cannot fractionate CUP and this valuable plasma is currently thrown out in many countries. Dr Nair recognised that third world countries have neither the wherewithal nor the ability to police the strict adherence of blood collection protocols required by first world regulators. Without this regulatory control the existing fractionators cannot process large volumes of plasma making it impossible for them to fractionate CUP without the possibility of viral contamination in the finished products.

In order to make a product which addresses the CUP market NuSep developed a disposable version of the PrIME Technology that could process small volumes of this otherwise wasted CUP material and do so economically. The PrIME Technology will allow hospitals to process hundreds if not thousands of litres of plasma that they are otherwise quite literally throwing away. This creates several new markets that until now did not have access to therapeutic plasma products. NuSep estimates that in terms of volume this market is probably of a similar size to the existing therapeutic plasma market. In terms of value the Company estimates this to be a \$1-2B market relative to the existing \$10B market. This is the market that PrIME Biologics will address.

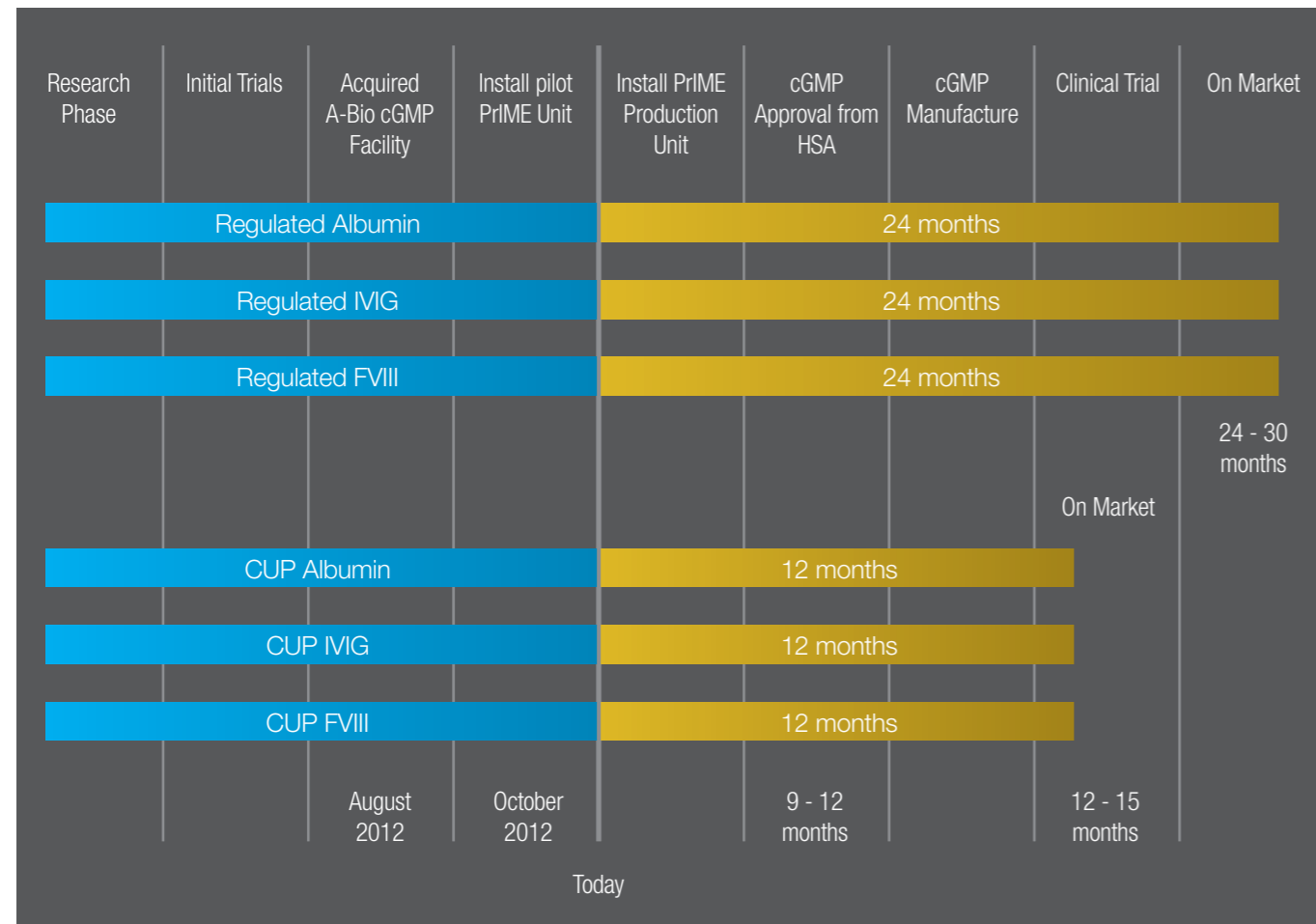
SpermGen needs to undertake a final study with the device that it intends to sell in order to obtain TGA marketing approval. The TGA approval will also allow SpermGen to sell this device in Europe and Asia. A further study will be required before entering the USA market.

Once the final study is completed SpermGen will sell the SpermSep instrument and associated consumables directly to the fertility clinics in Australia. SpermGen will partner with other organisations that address this niche market in the European markets. SpermGen will undertake the additional USA study and then make a decision as to partnering/direct sales in the USA market.

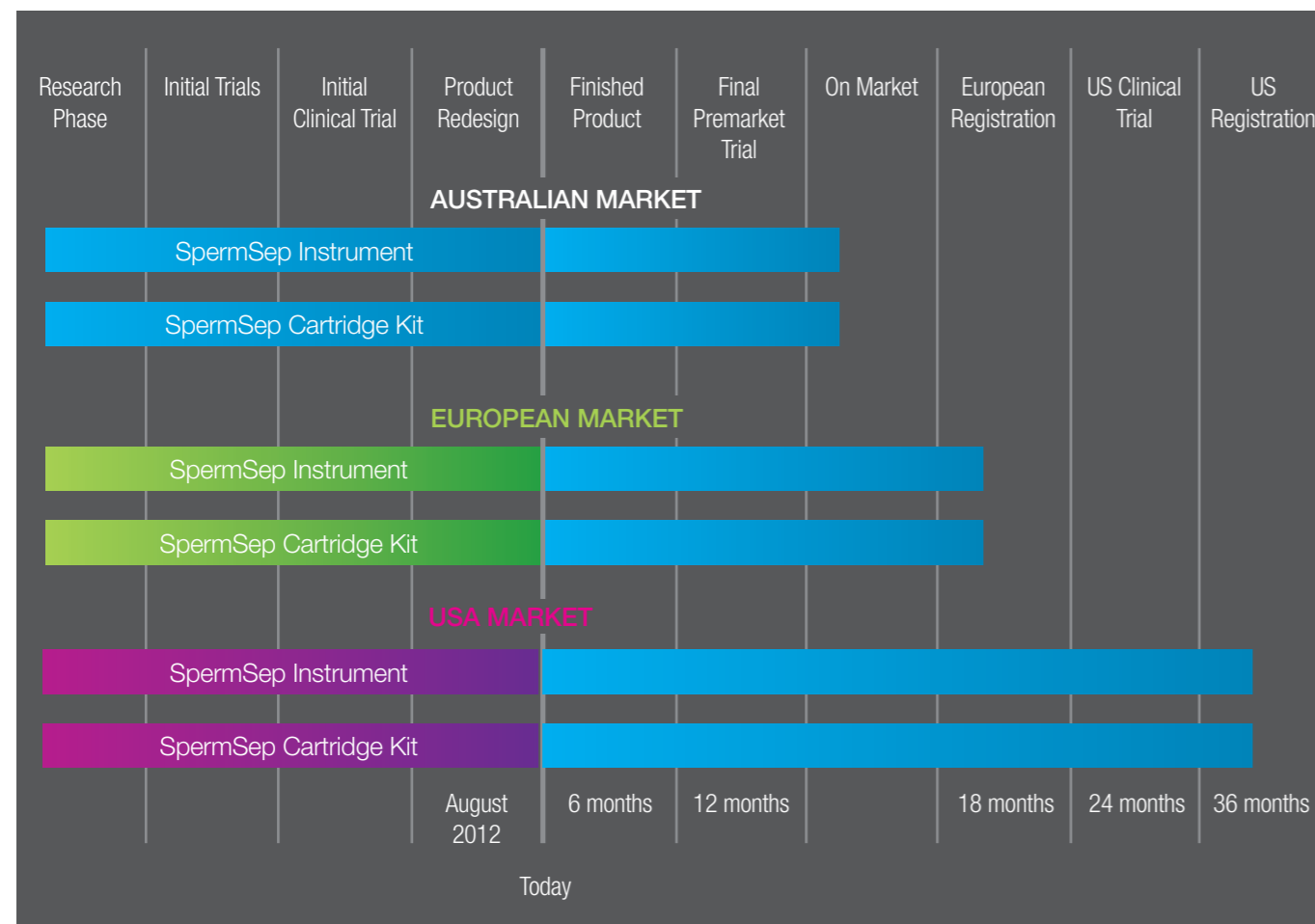
¹ For those interested in Disruptive Technology see 'The Innovators Solution', Clayton Christensen page 44.

² Currently Unprocessable Plasma (CUP)

Therapeutic Plasma Products Time Line



Clinical IVF Product Time Line



Therapeutic Plasma Products

Blood is divided into blood cells (red cells, white cells and platelets) and a yellow liquid called plasma. Plasma is a diverse combination of some 3000 proteins. To date less than 20 of these proteins are used therapeutically.

Uses of Plasma proteins include:

- ▶ Clinical Fresh Frozen Plasma - used to treat patients who have clotting problems often after trauma or liver transplants; and
- ▶ Cryoprecipitate - prepared from fresh frozen plasma containing blood clotting proteins called Fibrinogen and Factor VIII. Cryoprecipitate can be used for patients with particular deficiencies of these proteins. Cryoprecipitate is also used for liver transplants.

Fresh Frozen Plasma & Cryoprecipitate are largely used in the less developed countries as they can't afford therapeutic plasma products. Both of these forms of plasma have been known to transmit viruses, which is why their use is largely limited to third world countries.

A number of proteins can be fractionated from plasma and used in the therapy of a variety of diseases. These include:

- ▶ **Human Immunoglobulins or IVIG³** - used to treat and boost the immune system. Also used in the treatment of some muscle and nerve conditions. Other uses of immunoglobulins include the treatment of common infectious diseases such as measles,

rubella and hepatitis A. Nature's own antibiotic!;

- ▶ **Hyperimmunes or Special Immunoglobulins** - prepared from a pool of donations from donors who have strong antibodies against diseases such as tetanus, chicken pox, Hepatitis B cytomegalovirus. A well known use of Hyperimmunes is the use of Anti- D in the prevention of Rhesus disease in newborns. Rhesus disease is an incompatibility of the mother's and baby's blood resulting in the mother developing antibodies against her baby's blood. This can result in the baby being miscarried. This disease has been largely eradicated in first world countries thanks to the availability of Anti-D hyperimmune;
- ▶ **Albumin 20%** - a concentrated solution of the main plasma protein, albumin, which accounts for approximately 50% of all the proteins in plasma. Albumin is used in the correction of protein deficiency sometimes associated with kidney and liver diseases;
- ▶ **Albumin 4%** - a more dilute solution of albumin which is used in the treatment of shock due to blood loss. It is also used in the treatment of shock as a result of severe burns; and
- ▶ **Factor VIII Concentrate** - a blood clotting factor used in the treatment of people with bleeding disorders such as Haemophilia A or von Willebrand disease (a specialised form of Haemophilia).

³ IVIG stands for Intravenous IgG

Clinical IVF Products

The SpermSep is a sperm separation device comprising two components, the clinical instrument for undertaking the separation of human sperm and the disposable cartridge in which the actual separation occurs. Specifically these products are:

- ▶ **SpermSep CS10 Instrument** - This instrument is a clinical version of the ProteomeSep which allows an operator to simply separate a sample of human sperm in under 5 minutes. Each separation undertaken by the SpermSep will require an IVF separation kit containing a 100ml buffer container and the disposable separation cartridge;

- ▶ **IVF Separation Kit** - This is a disposable kit required to undertake each separation of human sperm in the SpermSep. One kit will be used for each separation of human sperm. In Australia there were 65,000 IVF cycles undertaken in 2009. If these separations were undertaken by the SpermSep then it would require 65,000 IVF Kits.

SpermGen, a fully owned subsidiary of NuSep, is also developing a number of other ancillary IVF related products. These products will be further described once these processes and products are ready to be commercialised.

Chairman & Managing Director Report

2011 – 2012 was a watershed year for NuSep and one that has fundamentally changed the Company's future by enabling it to commercialise the manufacture of Therapeutic Plasma product using the PrIME Technology.

NuSep was established to develop laboratory applications of the PrIME Technology. The challenge has been to identify and then focus on an application to showcase the potential of the PrIME Technology. We are very happy to report that the Executive Directors have grasped the potential to enter the Plasma Fractionation market by entering the Asian Therapeutic Plasma market. In order to achieve this NuSep has developed a disposable version of the PrIME Technology. This has been the main focus of the Company over the last two years. This focus has placed a significant strain on the Company's finances at a time when the equity markets have effectively been closed to small cap Biotech companies.

The fact that NuSep has managed to fund both the existing business and continue to develop the Therapeutic Plasma business is a real achievement and in no small part is due to the tremendous efforts by the Executive Directors and members of the senior management team.

As a result of the tenacity, grit and personal funding by the Executive Directors and Mr Goodall NuSep has been able to:

- ▶ Complete the development of the disposable PrIME system;
- ▶ Acquire a cGMP facility in Singapore, through the sale of a 10% stake in PrIME Biologics valuing PrIME Biologics at S\$60m (A\$47m);
- ▶ Installing a pilot scale PrIME cGMP manufacturing unit in Singapore; and
- ▶ Undertake a 15% placement in NuSep to raise A\$1.1m.

The final step in funding PrIME Biologics was announced to the market on 15 October 2012 and entailed the spin out of the company. This move will enable us to complete the funding of PrIME Biologics. A number of lenders were not prepared to invest in PrIME Biologics while it remained a subsidiary of NuSep because of the differential between the A\$47m valuation of

PrIME Biologics relative to NuSep's then market capitalisation of A\$6m.

Where to from Here?

NuSep was floated in 2007 with the relatively modest goals of building the gels business and bringing the SpermSep to market. The Global Financial Crisis of 2008-2009 challenged the realisation of these goals as equity funding for biotechnology companies dried up overnight. NuSep survived this period by cutting expenditure on the development of the SpermSep and only spending on cash generating products.

By late 2010, NuSep had identified Singapore as an entry point for a small scale plasma fractionation plant using the PrIME Technology. By mid 2011 the Company had received a pledge of financial support from the Singapore Government, which enabled NuSep to turn this project into reality. It took a further 6 months building on the Singapore Government support and further PrIME Technology developments to complete the deal with Luye Pharma. This deal is critical for a number of reasons:

- ▶ Having Luye as a shareholder has given the PrIME business a greater degree of credibility as Luye is the largest Singapore biotech company;
- ▶ Through this deal, PrIME Biologics has acquired the A-Bio cGMP facility in Singapore which is a state of the art cGMP manufacturing facility into which it's the PrIME Technology has been installed;
- ▶ It establishes the value for PrIME Biologics of S\$60m (A\$47m); and
- ▶ This installation allows PrIME Biologics to begin tasks associated with obtaining regulatory approval in the next 9-12 months.

The installation of the pilot scale PrIME cGMP manufacturing unit in the A-Bio facility has allowed potential investors and customers to see the PrIME process in action thus establishing the PrIME project as a viable manufacturing process which could be adopted in their specific countries.

NuSep has achieved all of this without requiring any additional funding from Shareholders. The Company has relied on loans from Directors in order not to further dilute shareholders at the past years low share prices. In all, this is a remarkable

achievement and comes down to the tenacity and never say die attitude of the Executive

Directors and the solid funding support from Andrew Goodall and the continued support of the Board.

The activities of the year described above have transformed NuSep into a different company. A structurally sound company means that capital can be raised as seen by the recent 15% placement. Activities in Singapore mean that there is a real prospect that by this time next year, PrIME Biologics will be producing therapeutic plasma products using Indian CUP. Significantly, the first full year of CUP sales are budgeted to generate A\$15m in sales and a profit for PrIME Biologics. Importantly, this will generate membrane sales of \$1.5m for NuSep, almost equal to NuSep's total sales last year.

The Decision to Spin Out PrIME Biologics

The decision by the Board to spin out PrIME Biologics clearly separates this company from NuSep and enables PrIME Biologics to be valued outside the market capitalisation of NuSep. While the primary driver for this decision revolves around the corporate structure necessary to fund PrIME Biologics it wasn't the only reason. By spinning PrIME Biologics out NuSep separates itself from the applications of the PrIME Technology. Further, it generates a series of new income streams and enables NuSep to free up capital that would otherwise be required to fund an application of the PrIME Technology, rather than developing the PrIME Technology.

In addition, through the proposed structure NuSep will retain an ongoing 10% interest in PrIME Biologics. This will enable NuSep to realise further funds by selling this 10% stake at a future time. To put this in perspective PrIME is currently valued at \$47M which equates to approximately 30¢ per NuSep share today. Should PrIME Biologics achieve its base line numbers then the value of this business will be measured in hundreds of millions. At this future stage, NuSep would be able to sell its 10% shareholding in PrIME Biologics generating significant sums that could be invested to further develop the PrIME Technology. This is the business model that NuSep's Board has adopted.

The Future of NuSep

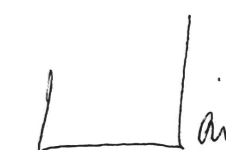
We realise that the fundamental question asked by shareholders is 'What will NuSep look like post the spin out of PrIME Biologics'. The answer is: NuSep will be a stronger company with lower operating costs and two new highly profitable product lines and therefore revenue streams. In a nutshell, the spin out of PrIME Biologics will make NuSep highly profitable and self sustaining with an ability to grow!

Post the spin out of PrIME Biologics, NuSep will continue to sell the existing products as it currently does but additionally also sell the PrIME equipment and membranes to PrIME Biologics in Singapore and other facilities which PrIME may be able to establish in Asia. Further, NuSep will have lower operational costs as a number of direct costs associated with establishing the plasma business will now be devolved to PrIME Biologics. In addition NuSep will be able to focus its resources on completing the commercialisation of the SpermSep and reviewing the commercialisation of other applications of the PrIME Technology. NuSep expects to continue developing these other applications of the PrIME Technology and spinning these applications out as they reach the commercial phase.

NuSep sees itself as a developer of the PrIME Technology and a supplier of the membranes on an ongoing basis. Ultimately NuSep will make the consumable membranes for a number of different applications of the PrIME Technology. Each of these different applications will be driven by a separate company focused on developing its own commercial markets. Also this ties in with NuSep's vision of Redefining BioSeparations through Innovation and Simplification. The next few years will see NuSep develop to its full potential delivering a series of different applications based on its PrIME Technology platform.



Mr John Manusu
Chairman



Dr Hari Nair
Group Managing
Director

**NuSep Holdings Ltd
and its Controlled Entities
ABN 33 120 047 556**

**Annual Financial Report
for the year ended 30 June 2012**

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NuSep Holdings Ltd and its Controlled Entities

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 2012.

Directors

The names of the Directors of NuSep Holdings Ltd in office at any time during or since the end of the financial year are:

Mr John Manusu	Non-Executive Chairman
Dr Hari Nair	Managing Director
Mr Iain Howard Sorrell	Non-Executive Director
Mr David Roffe	Non-Executive Director (Appointed 10 October 2011)
Mr Ward Wescott	Non-Executive Director (Appointed 10 October 2011)
Mr Andrew Goodall	Non-Executive Director (Appointed 14 March 2012)
Mr William Spee	Non-Executive Director (Resigned 19 March 2012)
Mr John O'Conner	Non-Executive Director (Appointed 10 October 2011, Resigned 19 February 2012)

Directors have been in office since the start of the financial year to the date of this report, unless otherwise stated.

Company Secretary

The Company Secretary is Swapna Keskar. Ms. Keskar is an experienced company secretary and a member of the Chartered Secretaries Australia. She is employed by Company Matters Pty Ltd, a specialist provider of legal, governance and company secretarial services. She is currently company secretary of a number of listed and unlisted Australian companies.

The Co-Company Secretary is Mr Prakash Patel, CPA. Mr Patel has held the position of Company Secretary since the appointment of the NuSep Holdings Ltd Board in September 2006. Mr Patel has been the Chief Financial Officer of NuSep Holdings Ltd since September 2006 and was appointed the Chief Operating Officer in May 2010. Mr Patel has a degree in Commerce, is a CPA.

Names, Qualifications, Experiences, Special Responsibilities and Shareholding	Interest in Shares and listed Options*
<p>John Manusu B.Com, F.Fin. Non-Executive Chairman</p> <p>Mr Manusu became the Executive Chairman of NuSep Holdings Ltd in September 2008. Prior to this he was the Managing Director. Age 53. Mr Manusu has over 20 years experience running biotechnology companies. Throughout this period 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 Gradipore and Life Therapeutics (October 1987 to June 2007), an ASX listed company, culminating in the sale of this business to Kedrion for \$100m. Mr Manusu has a degree in Commerce and is a Fellow of the Financial Services Institute of Australasia. Mr Manusu has worked in the Australia and U.S. Biotechnology markets and is best described as a biotechnology entrepreneur. Mr Manusu stepped down from an executive role in NuSep in August 2012 as part of a corporate restructuring in order to focus on the Singapore PrIME Biologics Pte Ltd subsidiary.</p>	<p>Direct 3,535,944 ordinary shares, Indirect 508,923 ordinary shares.</p>
<p>Dr. Hari Nair BSc (Hons), PhD (Med & Clin Sci), MAIboil, MOIF (Cambridge) Managing Director, Chief Executive Officer</p> <p>Non-executive Director between September 2006 and September 2008. Since then Managing Director and Chief Executive Officer. Age 55. 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. Dr Nair has been heavily involved in mergers and acquisitions especially in the US and Europe and has US financial experience. Dr Nair was a Director of Life Therapeutics (2004 – 2007), an ASX listed company, culminating in the sale of this business to Kedrion for \$100m. Dr Nair has served on the boards of a number of international biotechnology companies and US state Commercialisation Boards.</p>	<p>Direct 1,238,680 ordinary shares.</p>

Directors' Report

<p>Iain Howard Sorrell HND, LiBiol Non-Executive Director Chairman of Remuneration Committee</p> <p>Non-executive Director since September 2006. Age 55. 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.</p>	<p>Direct 1,101,328 ordinary shares.</p>
<p>David Roffe Non-Executive Director Member of Remuneration Committee, Member of Audit Committee</p> <p>Non-executive Director since 10 October 2011. Age 54. Mr Roffe has over 31 years experience in the Biomedical and Computer Science fields spanning senior research, design and management positions in both the Public and Private sectors. He has degrees in Science and Engineering as well as Masters degrees in Biomedical Engineering and Business Administration. Mr Roffe's passion is in mentoring innovation and organisation culture to deliver peak organisational performance. Independent peer reviews of his teams describe them as "Service Orientated and Professionally Excellent". Mr Roffe's has managed information systems departments in major Australian Public and Private hospital groups, where he has successfully commercialised a clinically focussed software suite. Mr Roffe was a Director of Gradipore, retiring in 1997, and was instrumental in Gradipore focusing on the PrIME process. David also has extensive knowledge in the rollout of complex medical software.</p>	<p>Direct 5,000 ordinary shares</p>
<p>Ward Wescott Non-Executive Director Chairman of Audit Committee</p> <p>Non-executive Director since 10 October 2011. Age 69. Mr Wescott has over 30 years experience in finance markets including over 20 years working for Citibank in Europe and the Asia-Pacific of which 9 years located in SE Asia. This gives him extensive contacts throughout Asian markets. In Australia, Mr Wescott was an early stage partner of Balmain Commercial where he was both transaction focussed and helped build Balmain into one of Australia's largest property finance organisations. Mr Wescott's Board Level experience consists of Country Head positions in Citibank and an Investment Bank Directorship in Singapore, 17 years as a Director of Balmain (continues) and Mr Wescott has recently been appointed to the Board of Building Angels Charity. Member AICD.</p>	<p>Direct 110,000 ordinary shares, Indirect 1,990,093 ordinary shares.</p>
<p>Andrew Goodall Non-Executive Director Member of Remuneration Committee, Member of Audit Committee</p> <p>Non-executive Director since 14 March 2012. Age 47. Mr Goodall has been a significant shareholder in NuSep for a number of years. In addition he is also the Company's largest shareholder. Mr Goodall brings a wealth of commercial experience to the Board. Mr Goodall has extensive experiences in Commercial Property Investment, running successful companies in Australia and New Zealand.</p>	<p>Direct 22,090,000 ordinary shares, Indirect 140,000 ordinary shares.</p>

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

NuSep Holdings Ltd and its Controlled Entities

Directors' Report

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 2012 and the number of meetings attended by each Director.

Director	Full meetings of Directors		Meetings of committees			
	A	B	Audit		Remuneration	
	A	B	A	B	A	B
John Manusu	23	23	-	-	-	-
Dr Hari Nair	23	23	-	-	-	-
Iain Howard Sorrell	23	23	2	2	1	1
David Roffe	10	10	1	1	-	-
Ward Wescott	11	11	1	1	-	-
Andrew Goodall	8	8	-	-	-	-
John O'Conner	1	1	-	-	-	-
William Spee	15	15	3	3	1	1

A = Number of meetings attended

B = Number of meetings held during the time the Director held office or was a member of the committee during the year.

CORPORATE INFORMATION

Corporate Structure

NuSep Holdings Ltd is a holding 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 25 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

Principal Activities

During the year the principal continuing activities of the consolidated group consisted of the development, manufacture and sale of pre-cast electrophoresis gels, separations equipment and consumables, analytical software and other biological products for the Life Science market. NuSep's Singapore partially owned subsidiary PrIME Biologics Pte Ltd will be using the patented PrIME technology to manufacture therapeutic human blood plasma products. This is a world first application of the PrIME technology and PrIME recently acquired the A-Bio cGMP facility in Singapore in which to undertake this project. PrIME is also being used in the separation of human sperm for the IVF market. There has been no significant change in the nature of these activities during the year.

Dividends

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

REVIEW OF OPERATIONS

The company produced a net loss of \$6.3m for the year to 30th June 2012. This result includes a \$3m write off against the software intangible assets, \$1.4m impairment against other receivables, \$690,955 in depreciation and amortisation charges and significant expenditure incurred in PrIME Biologics project in Singapore.

See Note 28 on Page 51 for the business segment results.

Financial Position

The net assets of the consolidated group at 30 June 2012 have decreased to \$4,562,379 from the previous period of \$6,995,083. This decrease is due to the impairment of intangible assets and other receivables, significant expenditure for the PrIME Biologics project in Singapore and development of new products during the year.

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.

NuSep Holdings Ltd and its Controlled Entities

Directors' Report

Significant Change in State of Affairs

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

- The company has made a significant investment in the setup of the PrIME Biologics project in Singapore.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The following events occurred subsequent to 30 June 2012:

- a) The Company announced on 14th August 2012 that it had received fit out and equipment at the A-Bio facility in Singapore in lieu of a 10% shareholding in Prime Biologics Singapore valued at S\$6m to the SGX listed Luye Pharma Group.
- b) The Company announced on 27th September 2012 that it had improved the recoverability prospects of the outstanding share proceeds of \$1,384,177, which is included in other receivables and fully provided against. At year end the shares were assigned to DCS Healthcare Pte Ltd as a commercial liability without formal security. The Company has worked with the directors of DCS Healthcare Pte Ltd and arranged for Mr Thee Woon Goh to transfer the shares back into his personal name so that NuSep can obtain a full recourse position against an individual, rather than remaining with DCS Healthcare Pte Ltd, which did not have any additional chargeable assets to provide as security. A commercial debt agreement has been executed in September 2012 with Mr Goh, and also a formal lien placed over the related shares. The Company will commence recovery proceedings if settlement is not forthcoming.

Except for the items discussed above no other matters or circumstances have arisen since 30 June 2012 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

In 2011 4,333,888 listed options were issued to shareholders. The listed options have an exercise price of 35 cents and they have not been exercised at their expiration date 1 September, 2012.

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.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on page 54 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.

No fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2012.

REMUNERATION REPORT

Outlined below are the guiding principles used by NuSep Holdings Ltd to set the remuneration of the organisation. While NuSep Holdings Ltd has adopted these guiding principles it also sensitive to the overall business environment and NuSep Holdings Ltd's financial wellbeing.

The Company has made significant progress during the year including the PRIME Biologics project in Singapore and development and sale of new products. This achievement has been a direct result of the efforts of the Board and senior executive of the company.

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

Directors' Report

- ◆ 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 company continues to increase awareness of the Company and regularly holds investor presentations and market updates. The share price as at 30 June 2011 was 9 cents, at 30 June 2012 was 5 cents and at the date of this report was 5.7 cents.

Director Remuneration additional points

There are no other employment agreements or consultancy agreements 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 June 2010 the executive director Mr John Manusu and Dr Hari Nair signed 3 year employment contracts. 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 June 2010 and terminates on 31st May 2013. 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.
- 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 (such as redundancy), with or without notice. In this event, the Executive Chairman is entitled to 1 years' salary including all entitlements and bonuses otherwise payable.
- 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.

The Managing Director, Dr Nair, is employed under contract. The current employment contract commenced on 1st June 2010 and terminates on 31st May 2013. 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:

- 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.
- 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).

Directors' Report

- The Company may terminate this contract for whatever reason (such as redundancy), with or without notice. In this event, the Managing Director is entitled to 1 years' salary including all entitlements and bonuses otherwise payable.
- The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs the Managing Director 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.

The CFO/COO, Mr Patel, is employed under contract. The current employment contract commenced on 1st June 2010 and terminates on 31st May 2013. 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.
- 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 (such as redundancy), with or without notice. In this event, the CFO is entitled to 1 years' salary including all entitlements and bonuses otherwise payable.
- 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. Subject to shareholder approval Non-Executive Directors may opt each year to receive a percentage of their remuneration in NuSep Holdings Ltd shares.

Directors' Fees

The current base remuneration was last reviewed effective 11 February 2010. 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

NuSep Holdings Ltd and its Controlled Entities

Directors' Report

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 Holdings Ltd employee superannuation fund.

Short Term Incentives

It is planned that should NuSep Holdings Ltd achieve 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 executive's 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.

Details of Remuneration

Details of the nature and amount of each element of the emoluments of each Director of NuSep Holdings Ltd and specified executive of the Company and the consolidated entity with the highest authority levels for the year ended 30 June 2012 are set out in the following tables.

Directors of NuSep Holdings Ltd

2012	Short-Term			Post-employment		Equity settled share based payments	Total \$	% performance related
	Cash Salary and Fees \$	Bonus \$	Non-monetary benefits, and Allowances \$	Super-annuation \$	Retirement Benefits \$	Value of Options \$		
John Manusu	300,000	-	24,250	15,199	-	2,212	341,661	-
Dr Hari Nair	300,000	-	18,000	15,199	-	2,117	335,316	-
Iain Howard Sorrell	50,000	25,000	-	-	-	1,058	76,058	-
William Spee	37,500	25,000	-	-	-	-	62,500	-
John O'Connor	19,624	-	-	-	-	-	19,624	-
David Roffe	36,111	-	-	-	-	-	36,111	-
Ward Wescott	36,111	-	-	-	-	-	36,111	-
Andrew Goodall	14,422	-	-	-	-	-	14,422	-
Total	793,768	50,000	42,250	30,398	-	5,387	921,803	-

Directors' Report

2011	Short-Term			Post-employment		Equity settled share based payments	Total \$	% performance related
	Name	Cash Salary and Fees \$	Bonus \$	Non-monetary benefits, and Allowances \$	Super-annuation \$	Retirement Benefits \$		
John Manusu	300,000	150,000	31,119	15,199	-	-	496,318	-
Dr Hari Nair	300,000	150,000	30,756	15,199	-	-	495,955	-
Iain Howard Sorrell	50,000	-	-	-	-	-	50,000	-
William Spee	50,000	-	-	-	-	-	50,000	-
Total	700,000	300,000	61,875	30,398	-	-	1,092,273	-

Senior Executive Employment Agreements

All of NuSep Holdings Ltd 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 1 months 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 terms stipulated in the contract.

Executives of NuSep Holdings Ltd and Subsidiaries

2012	Short-Term			Post-employment		Equity settled share based payments	Total \$	% performance related
	Name	Cash Salary and other fees \$	Bonus \$	Non-monetary benefits, and Allowances \$	Super-annuation \$	Retirement Benefits \$		
Prakash Patel	180,000	-	12,750	15,200	-	-	207,950	-
Dr John Andrews	125,000	-	9,000	12,060	-	-	146,060	-
Thee Woon Goh *	206,817	-	-	-	-	-	206,817	-
Total	511,817	-	21,750	27,260	-	-	560,827	-

* Thee Woon Goh has been paid Directors Fees of \$206,817 (SGD 270,000) for the period 1 Jul 2011 to 30 Jun 2012, of which \$68,939 (SGD 90,000) related to services provided for the period 1 Jan 2011 to 30 Jun 2011, which was not accrued in the 30 June 2011 Financial Statements. No cash payments have been made to Mr Goh and the accumulated fees at 30 June 2012, of \$206,817, were netted off against his outstanding debt due to NuSep at 30 June 2012, which related to the exercise of share options (Refer Note 1(v)).

2011	Short-Term			Post-employment		Equity settled share based payments	Total \$	% performance related
	Name	Cash Salary \$	Bonus \$	Non-monetary benefits, and Allowances \$	Super-annuation \$	Retirement Benefits \$		
Prakash Patel	180,000	54,000	9,000	15,200	-	-	258,200	-
Dr John Andrews	125,000	18,750	12,793	13,747	-	-	170,290	-
Total	305,000	72,750	21,793	28,947	-	-	428,490	-

Prakash Patel is Chief Operating Officer, CFO and Company Secretary.

Dr John Andrews is VP Science and Technology.

Thee Woon Goh is a Director of Prime Biologics Pte Ltd in Singapore.

NuSep Holdings Ltd and its Controlled Entities

Directors' Report

Share options granted to Directors

Share options were issued during the year to the Directors 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:

	2012
Dividend yield	0%
Risk-free interest rate	4.50%
Historical volatility	149%
Expected volatility	149%
Expected option life	1.65 year

Shares Under Option

The number of options over ordinary shares in NuSep issued to directors during the year is as follows:

2012	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
John Manusu	-	500,000	-	-	500,000	400,000	100,000
Dr Hari Nair	-	500,000	-	-	500,000	400,000	100,000
Iain H. Sorrell	-	250,000	-	-	250,000	200,000	50,000
Total	-	1,250,000	-	-	1,250,000	1,000,000	250,000

Executives

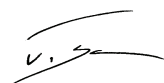
There were no share options on issue during the 2012 financial year.

Pursuant to section 300A(1)(g) directors provide the following additional commentary regarding the board's response to the comments made on the Remuneration Report at the 2011 AGM. Since the last AGM, the Board has not made any changes to the remuneration structure as given the level of accountability and responsibility held by the Directors and Key Management Personnel, it considers the current remuneration structures appropriate.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of NuSep Holdings 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.

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
28 September 2012

CORPORATE GOVERNANCE STATEMENT
30 June 2012

The Directors of NuSep Holdings Ltd 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 Holdings Ltd’s long term success. The Directors are responsible to the shareholders for the performance of NuSep Holdings Ltd in both the short and the longer term and seek to balance these sometime competing objectives in the best interests of NuSep Holdings Ltd as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure NuSep Holdings Ltd 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 Managing Director/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 Holdings Ltd 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 Holdings Ltd 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 Holdings Ltd Board Charter and Corporate Governance Guidelines states in section 3.3 that the Company “*Recognises 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 Holdings Ltd 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 Holdings Ltd Directors is an understanding of the markets that the Company services. 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 2012, the Board consists of six Directors (four Non-Executives and two executives). The experience and qualifications of each Director and their terms of office are further discussed on pages 2-4 and pages 7-12.

NuSep Holdings Ltd and its Controlled Entities

ABN 33 120 047 556

Experience

The Directors have an appropriate mix of tenure, blending experience with new membership. NuSep Holdings Ltd'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.

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 Holdings Ltd 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 Holdings Ltd 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 Holdings Ltd 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 Holdings Ltd. 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 Holdings Ltd (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 Non-Executive Director has a relationship considered significant enough to compromise their independence on the NuSep Holdings Ltd Board, except for Mr Andrew Goodall who is a substantial shareholder of NuSep Holdings Ltd.

A list of each Director's commitments outside NuSep Holdings Ltd 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 Holdings Ltd is provided below.

1. Mr Iain Howard Sorrell - Non-Executive Director. Mr Sorrell has no commercial association with any customer or supplier to NuSep Holdings Ltd. Mr Sorrell is not a substantial shareholder in NuSep Holdings Ltd.
2. Mr David Roffe - Non-Executive Director. Mr Roffe has no commercial association with any customer or supplier to NuSep Holdings Ltd. Mr Roffe is not a substantial shareholder in NuSep Holdings Ltd.
3. Mr Ward Wescott - Non-Executive Director. Mr Wescott has no commercial association with any customer or supplier to NuSep Holdings Ltd. Mr Wescott is not a substantial shareholder in NuSep Holdings Ltd.
4. Mr Andrew Goodall - Non-Executive Director. Mr Goodall has no commercial association with any customer or supplier to NuSep Holdings Ltd. Mr Goodall is a substantial shareholder in NuSep Holdings Ltd.

NuSep Holdings Ltd and its Controlled Entities

ABN 33 120 047 556

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.

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 Remuneration Committee of the Board comprises two Non-Executive Directors. The Committee's responsibilities cover all the matters relating to remuneration including 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 Holdings Ltd recruitment; retention and termination policies; incentive schemes; superannuation arrangements and other Company remuneration policies.

The Chairman 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 Holdings Ltd Holdings Inc.

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 5.

Independent advice

NuSep Holdings Ltd Directors may seek external professional advice at the expense of the company on matters relating to their role as Directors of NuSep Holdings Inc. 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.

Independent review

The Board commissioned an independent review of the Board in December 2010. This report was considered by the Board in 2011. The objective of the review was to provide the Board with an analysis of the skill sets required for NuSep Holdings Ltd to become an ASX 300 company. Following on from this review the Board has appointed three new Non-Executive Board members.

3 Promote ethical and responsible decision-making

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

Code of Ethics and Conduct

NuSep Holdings Ltd' 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 Holdings Ltd. 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 Holdings Ltd 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 Holdings Ltd 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 Holdings Ltd.

Share Dealing Rules

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

The policy provides a trading blackout period around the release of the financial results, clinical trials and other significant events. These blackout periods conclude on the release of the relevant information including prospectus, financial results and the announcement of the significant events. Share transactions can be undertaken at any other time. Share dealing rules are reviewed annually and when changed the new rules are advised to the ASX.

Corporate Governance Education

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

4. Safeguard integrity in financial reporting

NuSep Holdings Ltd 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 Holdings Ltd believes its practices satisfy this principle.

NuSep Holdings Ltd 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 Holdings Ltd 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 Holdings Ltd 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 Holdings Ltd external auditor.

Mr Ward Wescott is the Chairman of the Audit Committee. The Audit Committee consists of three 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 Holdings Ltd 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 Holdings Ltd underwent four regulatory and one supplier audit. These audits are undertaken in order to provide assurances to the market regulators and NuSep Holdings Ltd customers regarding the operational integrity of NuSep Holdings Ltd systems and processes.

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

5 Make timely and balanced disclosure

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

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

6 Respect the rights of shareholders

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

NuSep Holdings Ltd has adopted a shareholder communication approach that identifies disclosure and transparency as important qualities for NuSep Holdings Ltd shareholders and prospective investors. NuSep Holdings Ltd 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 since the last newsletter and reports against the company’s strategic goals.

NuSep Holdings Ltd views shareholder meetings as an opportunity for shareholders to meet with and question the Board and management of NuSep Holdings Ltd. NuSep Holdings Ltd external auditor attends all annual general meetings and is available to answer shareholder questions. For the annual general meeting to be held in November 2012, NuSep Holdings Ltd will also accept prior to the meeting, written questions from shareholders for the Chairman or auditors to answer at the meeting.

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

NuSep Holdings Ltd website, www.NuSep.com, is a key source of information for NuSep Holdings Ltd shareholders and prospective shareholders. NuSep Holdings Ltd 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 Holdings Ltd 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 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 Holdings Ltd at www.NuSep.com.

7 Recognise and manage risk

NuSep Holdings Ltd 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 Holdings Ltd 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 Holdings Ltd. 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 Holdings Ltd strategic goals.

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

CEO and CFO sign-off

NuSep Holdings Ltd has a Managing Director/CEO and Chief Financial Officer (CFO) sign off. As of June 30, 2012, 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 Holdings Ltd 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 Holdings Ltd 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;

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- ◆ 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 Holdings Ltd 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 Holdings Ltd 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 Holdings Ltd 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.

**Consolidated Statement of Comprehensive Income
 For the year ended 30 June 2012**

CONSOLIDATED GROUP			
	Notes	2012 \$	2011 \$
Continuing operations			
Revenue	3	2,549,415	1,799,710
Cost of sales	4	(944,532)	(684,551)
Gross Profit		1,604,883	1,115,159
Other Income	3	8,033	3,127,411
Marketing expenses		(839,847)	(1,313,943)
General and Administration expenses		(1,390,565)	(2,281,256)
Research and Development expenses		(900,719)	(404,438)
Finance cost expenses	4	(68,217)	(5,509)
Amortisation of Intangible Assets	4	(293,480)	(502,648)
Other expenses - Impairment of Assets	4	(4,428,303)	(6,055,873)
Profit/(Loss) before income tax		(6,308,215)	(6,321,097)
Income tax expense	5	-	-
Profit/(loss) after tax from continuing operations		(6,308,215)	(6,321,097)
Net profit/(loss) for the period		(6,308,215)	(6,321,097)
Net profit/(loss) attributable to members of parent		(6,308,215)	(6,321,097)
Other comprehensive income/ (expense)			
Exchange translation difference		(65,571)	91,084
Net fair value gain / (loss) on available for sale financial assets		-	(150,000)
Total other comprehensive income / (expense) from continuing operations for the period		(65,571)	(58,916)
Comprehensive income / (expense) for the period		(6,373,786)	(6,380,013)
Earnings per share	6	Cents	Cents
- basic for profit/(loss) for the year		(6)	(10)
- diluted for profit/(loss) for the year		(6)	(10)

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

**Consolidated Statement of Financial Position
 As at 30 June 2012**

	Notes	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	173,447	29,009
Trade and other receivables	9	212,964	825,720
Inventories	10	370,527	426,740
Other current assets	11	24,432	34,343
TOTAL CURRENT ASSETS		781,370	1,315,812
NON-CURRENT ASSETS			
Financial assets	12	300,000	300,000
Property, plant and equipment	13	1,183,447	1,564,390
Intangible assets	14	6,687,050	7,391,062
TOTAL NON-CURRENT ASSETS		8,170,497	9,255,452
TOTAL ASSETS		8,951,867	10,571,264
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	2,962,780	2,914,916
Interest bearing liabilities	16	1,068,422	-
Short-term provisions	17	270,464	217,351
TOTAL CURRENT LIABILITIES		4,301,666	3,132,267
NON-CURRENT LIABILITIES			
Other liabilities	18	-	377,286
Long-term provisions	19	87,822	66,628
TOTAL NON-CURRENT LIABILITIES		87,822	443,914
TOTAL LIABILITIES		4,389,488	3,576,181
NET ASSETS		4,562,379	6,995,083
EQUITY			
Issued capital	20	25,826,848	21,891,153
Reserves	21	1,042,348	1,102,532
Accumulated losses		(22,306,817)	(15,998,602)
TOTAL EQUITY		4,562,379	6,995,083

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

**Statement of Changes in Equity
 For the year ended 30 June 2012**

Consolidated Group 2011	Note	Issued capital	Foreign currency translation reserve	Share options reserve	Available-for-sale Financial assets reserve	Accumulated Losses	Total Equity
		\$	\$	\$	\$	\$	\$
Balance 1 July 2010		19,765,176	12,268	235,617	913,563	(9,677,505)	11,249,119
Movement							
Loss for the period		-	-	-	-	(6,321,097)	(6,321,097)
Revaluation of investment					(150,000)		(150,000)
Currency translation difference		-	91,084	-	-	-	91,084
Total comprehensive income for the period		-	91,084	-	(150,000)	(6,321,097)	(6,380,013)
Transactions with owners in their capacity as owners:							
Issue of share capital	20	2,280,558	-	-	-	-	2,280,558
Shares buy back	20	(20,898)					(20,898)
Transaction costs on share issue	20	(133,683)	-	-	-	-	(133,683)
Subtotal		2,125,977	-	-	-	-	2,125,977
Balance 30 June 2011		21,891,153	103,352	235,617	763,563	(15,998,602)	6,995,083

Consolidated Group 2012

	Note	\$	\$	\$	\$	\$	\$
Balance 1 July 2011		21,891,153	103,352	235,617	763,563	(15,998,602)	6,995,083
Movement							
Loss for the period		-	-	-	-	(6,308,215)	(6,308,215)
Currency translation difference		-	(65,571)	-	-	-	(65,571)
Total comprehensive income for the period		-	(65,571)	-	-	(6,308,215)	(6,373,786)
Transactions with owners in their capacity as owners:							
Issue of share capital	20	4,862,174	-	-	-	-	4,862,174
Transaction costs on share issue	20	(926,479)					(926,479)
Employee share option plan	20	-	-	5,387	-	-	5,387
Subtotal		3,935,695	-	5,387	-	-	3,941,082
Balance 30 June 2012		25,826,848	37,781	241,004	763,563	(22,306,817)	4,562,379

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

Statement of Cash Flows
For the year ended 30 June 2012

CONSOLIDATED GROUP		
Notes	2012	2011
	\$	\$
Cash flows from operating activities		
Receipts from customers	1,631,115	1,038,617
Payments to suppliers and employees	(3,028,325)	(4,031,719)
Government grants	749,684	1,267,341
Interest received	8,033	34,628
Finance costs	(15,594)	(5,509)
Net cash flows used in operating activities	8 (a) (655,087)	(1,696,642)
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,335)	(567,786)
Purchase of other non-current assets	(2,387,318)	(1,624,760)
Net cash flows used in investing activities	8 (b) (2,402,653)	(2,192,546)
Cash flows from financing activities		
Proceeds from issue of shares	2,519,194	2,505,458
Shares Buy Back	(633)	(15,557)
Share issue costs	(169,796)	(133,683)
Proceeds from borrowings	1,013,512	438,219
Repayment of borrowings	(160,099)	(76,881)
Net cash flows provided by financing activities	8 (b) 3,202,178	2,717,556
Net increase/(decrease) in cash and cash equivalents	144,438	(1,171,632)
Cash and cash equivalents at beginning of year	29,009	1,200,641
Cash and cash equivalents at end of year	7 173,447	29,009

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

1. CORPORATE INFORMATION

This financial report includes the consolidated financial statements and notes of NuSep Holdings Ltd and controlled entities ('Consolidated Group'). NuSep Holdings Ltd is a listed public company, incorporated and domiciled in Australia.

The separate financial statements and notes of NuSep Holdings Ltd as an individual parent entity ('Parent Entity') have not been presented within this financial report as permitted by the *Corporations Act 2001*.

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.

Accounting Policies

a) Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the company made a net loss of \$6,308,215 for the year to 30 June 2012 and had net cash outflows from operating activities of \$655,087, net cash outflows from investing activities of \$2,402,653 and net cash inflow from financing activities of \$3,202,178 for the year ended 30 June 2012. The ability of the company and consolidated entity to continue as going concerns is dependent on a combination of a number of factors the most significant of which is the ability of the company to receive the \$1.5m R&D tax refund from the Australian Tax office, recover the \$1.4m unpaid share capital and/or to raise additional capital in the following 12 months and/or the ability of the company to achieve its projected cash collections for the 2013 financial year. These factors indicate uncertainty as to whether the company and consolidated entity will 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.

The Directors believe that there are reasonable grounds to believe that the company and consolidated entity will be able to continue as going concerns, after consideration of the following factors:

- The company has raised \$2.5m as proceeds from issue of shares since 1 July 2011.
- NuSep is expected to receive \$1.5m from the Australian Tax Office for eligible research and development activities carried out by the Company in the 2012 financial year under the research and development tax credit scheme.
- The company has access to a S\$1m Singapore Economic Development Board loan facility.
- NuSep is negotiating funding facilities to support the Prime Biologics plasma operations in Singapore. Of this S\$6m investment was finalised in August 2012 with the Singapore listed Luye group.
- A shareholder exercised 12,622,691 15¢ share options in November 2011. As disclosed in the directors' report and Note 1 (v), \$1.4m is yet to be received for the issue of these shares. The directors expect the funds will be received in the 2013 financial year.
- The consolidated result includes a non cash \$4.4m impairment charge against intangible assets and other receivables and a further non cash \$690,955 in depreciation and amortisation charges.

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Notes to Financial Statements
For the year ended 30 June 2012

- The consolidated result includes an expenditure of \$900,720 spent on the PRiME Biologics Singapore project and other group R&D activities.
- Management has reviewed the company and consolidated entity's cashflow requirements and has satisfied themselves that there are adequate resources in place to meet the planned operational and development activities for at least 12 months following the date of this report.

Accordingly, the Directors believe that the company and consolidated entity will be able to continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report. The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the company and consolidated entity do not continue as going concerns.

b) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by NuSep Holdings Ltd at the end of the reporting period. A controlled entity is any entity over which NuSep Holdings Ltd has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

A list of controlled entities is contained in Note 25 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 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.

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.

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 as 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.

NuSep Holdings Ltd and its Controlled Entities
Notes to Financial Statements
For the year ended 30 June 2012

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 and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(h)).

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 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 statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

f) Leases

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.

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).

NuSep Holdings Ltd and its Controlled Entities
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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 statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cashflows 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 statement of comprehensive income.

NuSep Holdings Ltd and its Controlled Entities
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For the year ended 30 June 2012

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 from the point at which the asset is ready for use on a systematic basis matched to the future economic benefits over the useful life of the project.

The following useful life is being used in the calculation of amortisation:

- Capitalised Development 10 years.
- Capitalised Licenses 20 years.

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. Patents and Trademarks capitalised are included in internal development costs and have a finite useful life and are carried at cost less any accumulated amortisation and impairment losses. Patents and Trademarks are amortised over their useful ranging up to 20 years.

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 statement of comprehensive income.

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 statement of comprehensive income.

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 statement of financial position. These differences are recognised in the statement of comprehensive income 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 statement of financial position.

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.

(d) Government Grant

Government grant is recognised in accordance with policy Note 1 (q).

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

p) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within credit term.

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q) 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 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.

r) Borrowing costs

Borrowing costs are recognised as expense in the period in which they are incurred.

s) 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 statement of financial position are shown inclusive of GST.

Cashflows 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.

t) Contributed equity

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

u) Earnings per Share

(i) Basic earnings per share

Basis earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted by bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing cost associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

v) 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.

Consumable products

The recoverable amount of consumable products is determined by value in use calculations based on expected future cash flows to be received in relation to the cash generating unit over a 5 year period with growth rates of 25% to 40%, margins of 60% to 70%, and discount rates of 18% to 20%. Expected future cash flows are estimated by reference to available market share and expected production capacities. Management have also stress tested the projections at varying growth and discount rates to ensure there is sufficient headroom to support the carrying values.

Separations

The recoverable amount of separations is determined by reference to independent valuations performed by a qualified valuer who specialise in the valuation of bio-tech assets. The valuations incorporate key assumptions on the available domestic

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and international markets as well as the group's ability to service the market in order to generate the cash flows used to calculate the fair value.

Software

The total impairment loss recognised in the statement of comprehensive income during the period for the IQ software division amounted to \$3,044,126 (2011: \$6,055,873) and is presented in the Statement of Comprehensive Income under Impairment of Assets. At 30 June 2012 the Company took the decision to write down the BioInquire investment. While the business itself has continued to improve, it has not performed to the levels at expected on acquisition. Should the results of this business continue to improve to the levels projected by the original shareholders of BioInquire at the time of the acquisition, then the Company has the option to reverse the impairments at a future date.

Key Estimate - Recognition of Development Costs

The Company generally capitalises development costs based on time spent by staff members, the type of project, geographic location, related development tasks and other related factors. With respect to the capitalised development costs incurred in the PrIME Singapore project, salaries and related costs, totalling \$1,272,048 have been deemed to be directly related to the development of the PrIME asset and have therefore been capitalised. In particular significant level of salary costs of the directors, John Manusu and Hari Nair have been capitalised due to their significant involvement in setting up the PrIME technology in Singapore.

Key Estimate - Recoverability of Other Receivables

On 25 November 2011, Mr Thee Woon Goh, a director of the Singapore subsidiary, Prime Biologics Pte Ltd, exercised 12,622,691 15¢ share options which had an expiry date of 31 March 2012. As previously advised to the markets, the payment was not received by the Company when due in November 2011 and the Company has since entered into a commercial arrangement with the shareholder to settle this debt. During the period to 30 June 2012 the shareholder had reduced the debt by \$509,227. In addition the shares were re-assigned to his part owned company, DCS Healthcare Pte Ltd. The balance of the debt still owing at 30 June 2012 was \$1,384,177. This balance has been fully provided against in the financial statements. While this commercial debt relates to an equity raising, the applicable accounting standard has required that this amount be written off to the Statement of Comprehensive Income. Any future payments received will subsequently be shown as a reversal of this impairment in the Statement of Comprehensive Income.

Subsequent to the year end, as the position with DCS Healthcare Pte Ltd was a commercial liability without formal security, the Company has worked with the directors of DCS Healthcare Pte Ltd and have arranged for Mr Thee Woon Goh to transfer the shares back into his personal name so that NuSep could obtain a full recourse position against the individual rather than the company, which did not have any additional chargeable assets. A commercial debt agreement has been executed in September 2012 with Mr Goh, and also a formal lien placed over the related shares. The Company will commence recovery proceedings if settlement is not forthcoming.

w) Comparatives figures

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

x) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, are the Board of Directors.

y) New Accounting Standards and Interpretations for Application in Future Periods

The new accounting policies adopted as of 1 July 2011 are consistent with those of the previous financial years except as follows:

AASB 2011-9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).

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The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This standard does have an impact on NuSep Holdings Ltd's financial statements. The loss on revaluation of investment for \$150,000 made in the financial year 2010-11 has been included within the Other Comprehensive Income section of the Consolidated Statement of Comprehensive Income.

The following Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective for the annual reporting period ended 30 June 2012.

AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The objective of this Standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. NuSep Holdings Ltd has already been presenting information about financial instruments in Note 1 (g) accounting policies applied on Financial Instruments, and in Note 26 Financial Risk Management Policy.

AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121: Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

This standard does not have any impact on NuSep Holdings Ltd's financial statements as NuSep Holdings Ltd has no investment property as at 30 June 2012.

AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013).

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AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees.

This standard does not have any impact on NuSep Holdings Ltd's financial statements as NuSep Holdings Ltd, as an investor, does not need to determine whether or not it controls their investees. NuSep Holdings Ltd has control over 100% of ownership of its subsidiaries as at 30 June 2012.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

This standard does not have any impact on NuSep Holdings Ltd's financial statements as NuSep Holdings Ltd, as an investor, does not have interest in arrangements that are controlled entity (ie joint arrangements)

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. This standard does not have any impact on NuSep Holdings Ltd's financial statements as, although NuSep Holdings Ltd does have an interest in its subsidiaries, there have not been any changes in facts and circumstances during the reporting period affecting the control that NuSep Holdings Ltd has over those interest (paragraph 8, AASB 12).

AASB 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009–11, 2010–7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

This standard does not have an impact on NuSep Holdings Ltd's financial statements. According to paragraph 8 of AASB 13, the fair value measurement framework applies to both initial and subsequent measurement if fair value is required or permitted by other Australian Accounting Standards. The Revaluation Model, allowed by paragraph 75 of the AASB 138 Intangible Assets, could be used to value the investment made in Prime Biologics Singapore. However, as this particular intangible asset's value is not determined by reference to an active market, the use of a revalued amount is not allowed.

AASB 119: Employee Benefits (September 2011) and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011–8 and Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans.

AASB 119 (September 2011) also includes changes to the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

- for an offer that may be withdrawn – when the employee accepts;
- for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
- where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.

This standard does not have an impact on NuSep Holdings Ltd's financial statements as no employees of the entity have provided services in exchange for benefits to be paid in the future

The financial report was authorised for issue in accordance with a resolution of the Directors on 28 September 2012.

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Notes to Financial Statements
For the year ended 30 June 2012

2. Parent Information

The following information has been extracted from the books and records of Nusep Holdings Ltd and has been prepared in accordance with Accounting Standards.

	2012	2011
	\$	\$
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current assets	166,369	6,425,729
TOTAL ASSETS	9,185,855	9,508,161
LIABILITIES		
Current liabilities	2,695,880	2,058,753
TOTAL LIABILITIES	2,747,411	2,473,939
EQUITY		
Issued capital	25,826,848	21,891,153
Accumulated losses	(19,629,410)	(15,092,548)
Options reserve	241,004	235,617
TOTAL EQUITY	6,438,444	7,034,222
STATEMENT OF COMPREHENSIVE INCOME		
Total profit/(loss)	(4,536,860)	(6,348,273)
Total comprehensive income/(loss)	(4,536,860)	(6,348,273)

Guarantees

NuSep Holdings Ltd has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries.

Contingent liabilities

At 30 June 2012, NuSep Holdings Ltd had no contingent liabilities (2011: \$nil)

Contractual commitments

At 30 June 2012, NuSep Holdings Ltd had not entered into any contractual commitments for the acquisition of property, plant and equipment (2011: \$nil).

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For the year ended 30 June 2012

3. Revenue

	Consolidated Group	
	2012	2011
	\$	\$
Revenue		
Revenue from sales or services	1,780,350	1,081,093
Government grants	769,065	718,617
	<u>2,549,415</u>	<u>1,799,710</u>
Finance and other revenue		
Interest received from other persons	8,033	32,606
Gain on release of contingent consideration no longer payable	-	3,094,805
	<u>8,033</u>	<u>3,127,411</u>
Total Revenue	<u><u>2,557,448</u></u>	<u><u>4,927,121</u></u>

4. Profit/(loss) for the Year

	Consolidated Group	
	2012	2011
	\$	\$
Expenses		
Cost of sales of goods	944,532	684,551
Depreciation and amortisation:		
- Plant and equipment	256,246	236,148
- Leasehold improvements	141,229	139,733
- Intangible assets	293,480	502,648
Total depreciation and amortisation	<u>690,955</u>	<u>878,529</u>
Finance costs:		
Interest expense	68,217	5,509
Exchange gains	(40,414)	(461,225)
Salaries and wages	2,630,223	2,664,662
Superannuation	169,249	171,567
Employee share based payments	5,387	-
Rental expense relating to operating leases	247,335	229,618
Write-off of obsolete stock	13,392	25,170
Other expenses - Impairment of Intangible Assets	3,044,126	6,055,873
Other expenses - Impairment of Other Debtors	1,384,177	-

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5. Income Tax Expense

(a) Income tax expense

	Consolidated Group	
	2012	2011
	\$	\$
Current income tax expense	-	-
Deferred income tax	-	-
Income tax reported in the statement of comprehensive income	-	-

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	Consolidated Group	
	2012	2011
	\$	\$
Accounting profit/(loss) before tax from continuing operations	(6,308,215)	(6,321,097)
Accounting profit/(loss) before income tax	(6,308,215)	(6,321,097)
The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax receivable on profit/(loss) from ordinary activities before income tax at 30% (2011: 30%)	(1,892,465)	(1,896,329)
Add:		
Tax effect of:		
Reverse research and development	1,028,986	571,190
Less:		
Tax effect of:		
Non-deductible expenditure	(121,879)	(112,151)
Research and Development Tax Concession	-	(713,988)
Research and Development Tax Incentive	(1,492,030)	-
Adjustments for current tax of prior periods	(2,477,388)	(2,151,277)
Income tax benefit not reported in the consolidated statement of comprehensive income	69,353	(357,458)
Income tax expense recorded in Statement of comprehensive income	(2,546,741)	(1,793,819)
	-	-

(c) Deferred income tax

Deferred tax assets are recognised for deductible temporary differences only if the group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Due to the value of tax losses and the groups performance for the year, it is not considered probable that any temporary differences will be utilised in the future.

(d) Tax losses

The Group has separate tax entities within Australia, the United States and Singapore. All tax jurisdictions have tax losses, which are not recognised in their books at 30 June 2012. The unused tax losses held in the Australian group companies as at 30 June 2011 was \$7,046,185 and a further \$3,130,513 (USD 3,190,306) was held in the US companies. The tax losses are available, indefinitely for offset against future taxable profits of the companies in which losses arose within each tax jurisdiction.

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Notes to Financial Statements
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6. Earnings per share

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

	Consolidated Group	
	2012	2011
	\$	\$
Profit/(Loss) after tax from continuing operations	(6,308,215)	(6,321,097)
Net profit/(loss) for the year	<u>(6,308,215)</u>	<u>(6,321,097)</u>

	Consolidated Group	
	2012	2011
	Cents	Cents
Earnings per share		
– basic for profit(loss) for the year	(6)	(10)
– diluted for profit/(loss) for the year	(6)	(10)
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	<u>98,000,543</u>	<u>61,237,673</u>
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	<u>98,000,543</u>	<u>61,237,673</u>

Information concerning the classification of securities

Options

Options granted under the NuSep Holdings Ltd Directors, Employee and Consultants Share Option Plan are 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. There were 1,250,000 options on issue during 2012 and none on issue during the 2011 financial year. Details relating to the options are set out in note 20.

7. Current Assets – Cash and Cash Equivalents

	Consolidated Group	
	2012	2011
	\$	\$
Cash at bank	<u>173,447</u>	<u>29,009</u>

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8. (a) Reconciliation of operating profit/(loss) to net cash provided by operating activities

	Consolidated Group	
	2012	2011
	\$	\$
Profit/(Loss) from ordinary activities after income tax expense:	(6,308,215)	(6,321,097)
Adjustment for non-cash items:		
Depreciation & Amortisation	690,955	878,529
Finance cost	54,910	-
Gain on release of contingent consideration	-	(3,094,805)
Impairment of intangible assets and other receivables	4,428,303	6,055,873
Unrealised gain on other non current liability	-	(472,917)
FX translation reserve	26,732	(480,293)
Net exchange differences on changes in operating assets & liabilities	(180,419)	750,208
	(1,287,734)	(2,684,502)
Change in operating assets and liabilities:		
Decrease/(Increase) in inventories	69,891	(39,675)
Decrease/(Increase) in trade debtors	(38,799)	375,061
Decrease/(Increase) in other operating assets	9,910	48,214
Increase/(Decrease) in trade creditors	517,738	656,613
Increase/(Decrease) in short term provisions	53,313	59,516
Increase/(Decrease) in other operating liabilities	-	(129,062)
Increase/(Decrease) in long term provisions	21,194	17,193
Net cash inflows/(outflows) from operating activities	(655,087)	(1,696,642)

(b) Non-cash financing and investing activities

Non-cash financing and investing activities are outlined below.

	Consolidated	
	2012	2011
	\$	\$
Shares issued in lieu of services		
Shares issued in lieu of services	234,331	-

9. Current Assets – Trade and Other Receivables

	Consolidated Group	
	2012	2011
	\$	\$
Trade receivables	212,964	109,812
Other receivables *	1,384,177	715,908
Impairment of other receivables *	(1,384,177)	-
	212,964	825,720

Included in trade receivables are receivables to the value of US\$ 125,261 converted at an exchange rate of 1.02.

* Refer to Note 1(v) for further details.

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 this note. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group, also refer to Note 1(v).

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

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The following table details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with aging analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, with the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

Consolidated

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31-60	61-90	>90	
2012							
Trade Receivables	212,964	-	17,780	425	13,424	24,384	156,951
Other Receivables *	1,384,177	(1,384,177)	-	-	-	-	-
Total	1,597,141	(1,384,177)	17,780	425	13,424	24,384	156,951
2011							
Trade Receivables	109,812	-	19,496	512	2,627	-	87,177
Other Receivables	715,908	-	-	-	-	651,556	64,352
Total	825,720	-	19,496	512	2,627	651,556	151,529

* Refer to Note 1(v) for further details. Trade Receivables are to be collected within the allowed trading terms.

10. Current Assets – Inventories

	Consolidated Group	
	2012	2011
	\$	\$
Raw materials – at cost	251,810	252,930
Finished goods – at cost	130,158	185,001
Less: provision for obsolete inventory	(11,441)	(11,191)
	370,527	426,740

11. Current Assets – Other Assets

	Consolidated Group	
	2012	2011
	\$	\$
Cash deposit rental bond	6,451	33,343
Prepaid expenses	17,981	-
	24,432	33,343

12. Non-Current Assets – Available-for-Sale Financial Assets

	Consolidated Group	
	2012	2011
	\$	\$
Available-for-sale financial assets		
Shares in unlisted corporation - at fair value	300,000	300,000

Available-for-sale financial assets comprise investments in the ordinary issued capital of an unlisted public company. There are no fixed returns or fixed maturity dates attached to this investment.

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The fair value of the unlisted investments has been estimated using valuation techniques that may not be supported by observable market prices or rates. Management have also relied on a prior expert independent valuation report of the investment and believes the estimated fair value recorded in the statement of financial position and the related changes in fair value recorded in equity are reasonable and the most appropriate at the statement of financial position date.

Reconciliations

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

	Financial Assets
	\$
Consolidated 2011	
Carrying amount at 1 July 2010	450,000
Increase / (decrease) in fair value	<u>(150,000)</u>
Carrying amount at 30 June 2011	<u><u>300,000</u></u>
	\$
Consolidated 2012	
Carrying amount at 1 July 2011	300,000
Increase / (decrease) in fair value	<u>-</u>
Carrying amount at 30 June 2012	<u><u>300,000</u></u>

13. Non-Current Assets – Property, plant and equipment

	Consolidated Group	
	2012	2011
	\$	\$
Plant and equipment – at cost	1,689,963	1,669,804
Less: accumulated depreciation	(733,836)	(474,280)
Total property, plant and equipment	<u>956,127</u>	<u>1,195,524</u>
Leasehold improvements – at cost	638,057	638,382
Less: accumulated amortisation	(410,737)	(269,515)
Total leasehold improvements	<u>227,320</u>	<u>368,867</u>
Total property, plant and equipment	<u>1,183,447</u>	<u>1,564,390</u>

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 2011			
Carrying amount at 1 July 2010	882,803	489,812	1,372,615
Additions	548,868	18,788	567,656
Depreciation expense	<u>(236,148)</u>	<u>(139,733)</u>	<u>(375,881)</u>
Carrying amount at 30 June 2011	<u><u>1,195,523</u></u>	<u><u>368,867</u></u>	<u><u>1,564,390</u></u>
Consolidated 2012			
Carrying amount at 1 July 2011	1,195,523	368,867	1,564,390
Additions	15,335	-	15,335
Exchange differences	1,515	(318)	1,197
Depreciation expense	<u>(256,246)</u>	<u>(141,229)</u>	<u>(397,475)</u>
Carrying amount at 30 June 2012	<u>956,127</u>	<u>227,320</u>	<u>1,183,447</u>

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14. Non-Current Assets – Intangible Assets

	Consolidated Group	
	2012	2011
	\$	\$
Internal development and acquired through acquisition– at cost	10,024,656	13,949,583
Impairment charges	(3,044,126)	(6,055,873)
Less: accumulated amortisation	(293,480)	(502,648)
Total intangible assets	<u>6,687,050</u>	<u>7,391,062</u>

Reconciliations

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

	Development Costs
	\$
Consolidated 2011	
Carrying amount at 1 July 2010	12,324,820
Internal development	1,624,763
Disposals	-
Impairments	(6,055,873)
Amortisation expense	(502,648)
Carrying amount at 30 June 2011	<u>7,391,062</u>
	\$
Consolidated 2012	
Carrying amount at 1 July 2011	7,391,062
Internal development	2,633,594
Disposals	-
Impairments	(3,044,126)
Amortisation expense	(293,480)
Carrying amount at 30 June 2012	<u><u>6,687,050</u></u>

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.
- Capitalised Licenses 20 years.

Impairment Losses

The total impairment loss recognised in the statement of comprehensive income during the period for the IQ software division amounted to \$3,044,126 (2011: \$6,055,873) and is presented in the Statement of Comprehensive Income under Impairment of Assets. At 30 June 2012 the Company took the decision to write down the BioInquire investment. While the business itself has continued to improve, it has not performed to the levels at expected on acquisition. Should the results of this business continue to improve to the levels projected by the original shareholders of BioInquire at the time of the acquisition, then the Company has the option to reverse the impairments at a future date..

15. Current Liabilities – Trade and Other Payables

	Consolidated Group	
	2012	2011
	\$	\$
Unsecured Liabilities		
Trade payables	1,684,038	1,616,345
Government grants refundable	180,000	295,504
Payable to related parties	233,773	150,000
Acquisition price payable	245,314	349,677
Other creditors and accruals	619,655	503,390
	<u>2,962,780</u>	<u>2,914,916</u>

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Analysis of Total Provisions

	Consolidated Group	
	2012	2011
	\$	\$
Current provision for employee benefits (note 17)	270,464	217,351
Non-current provision for employee benefits (note 19)	87,822	66,628
Aggregate employee benefit and related on-costs liabilities	358,286	283,979

20. Issued Capital

	Consolidated Group and Parent Entity		Consolidated Group and Parent Entity	
	2012	2011	2012	2011
	Shares	Shares	\$	\$
(a) Share Capital				
Ordinary Shares – fully paid	107,921,501	73,051,172	25,826,848	21,891,153

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

	30 June 2012	30 June 2011
	\$	\$
Balance at 1 July	21,891,153	19,765,176
Share issue under share placement/ offer	2,472,803	1,905,458
Shares issue - BioInquire	116,846	375,100
Shares issue 24 January 2011	-	-
Options exercised *	1,897,525	-
Shares buy back	-	(20,898)
Share issue conversion Convertible Notes	375,000	-
	26,753,327	22,024,836
Less - transaction costs arising on share issues	(926,479)	(133,683)
Balance at 30 June	25,826,848	21,891,153

	30 June 2012	30 June 2011
	Number of Shares	Number of Shares
Balance at 1 July	73,051,172	59,411,744
Share issue under share placement/ offer	18,471,267	8,972,513
Shares issue - BioInquire	-	-
Options exercised *	12,649,062	-
Shares issue 24 January 2011	-	4,761,905
Shares buy back	-	(94,990)
Share issue conversion Convertible Notes	3,750,000	-
Balance at 30 June	107,921,501	73,051,172

* As discussed in Note 1 (v), the proceeds have not been fully received as at 30 June 2012.

During a share placement in 2011 NuSep Holdings Limited issued shares to itself which were not immediately placed. During the financial year, the group has placed a portion of these shares to non-related parties at reasonable rates in order to reduce the number of shares which the group holds in itself. As at balance date, a total of 2,012,684 remain held by NuSep Holdings Limited in a suspense account. The directors' are in the process of placing the remaining shares to non-related parties.

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(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

In 2011 4,333,888 listed options were issued to shareholders. The listed options have an exercise price of 35 cents and they expire on 1 September, 2012.

(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 – 2012:								
<i>Directors Options</i>								
16 October 2011	1 March 2015	16 October 2011	\$0.40	-	500,000	-	-	500,000
16 October 2011	1 March 2015	1 March 2012	\$0.50	-	500,000	-	-	500,000
16 October 2011	1 March 2015	1 March 2013	\$0.60	-	250,000	-	-	250,000
Total				-	1,250,000	-	-	1,250,000

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

The number of options over ordinary shares in NuSep issued to directors during the year are as follows:

2012	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
John Manusu	-	500,000	-	-	500,000	400,000	100,000
Dr Hari Nair	-	500,000	-	-	500,000	400,000	100,000
Iain H. Sorrell	-	250,000	-	-	250,000	200,000	50,000
Total	-	1,250,000	-	-	1,250,000	1,000,000	250,000

There were no movements in options in the prior year.

(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.

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21. Reserves

Nature and purpose of reserves

Share options reserve

The share option reserve is used to recognise the fair value of options and shares issued to employees.

Available-for-Sale Financial Assets Reserve

The available-for-sale financial assets reserve recognises any changes in fair value and exchange difference arising on translation of available-for-sale financial assets and recognised in other comprehensive income.

Foreign currency translation reserve

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

22. Auditors' Remuneration

	Consolidated Group	
	2012	2011
	\$	\$
<i>Amounts receivable or due and receivable by Lawler Partners for:</i>		
Audit & Assurance services		
Audit of financial reports – 30 June 2012	30,000	-
Total remuneration for services	30,000	-

At the EGM held on 22 June 2012, RSM Bird Cameron Partners were removed as auditors and Lawler Partners appointed as auditors of NuSep Holdings Ltd.

	Consolidated Group	
	2012	2011
	\$	\$
<i>Amounts receivable or due and receivable by RSM Bird Cameron Partners for:</i>		
Audit & Assurance services		
Audit review of financial reports- 31 December	12,500	12,500
Audit of financial reports- 30 June	-	47,500
Other non audit charges	22,727	-
Other services	-	-
Total remuneration for services	35,227	60,000

23. 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
David Roffe	Non-Executive Director (appointed 10 October 2011)
Ward Wescott	Non-Executive Director (appointed 10 October 2011)
Andrew Goodall	Non-Executive Director (appointed 14 March 2012)
John O'Connor	Non-Executive Director (appointed 10 October 2011, resigned 19 February 2012)
William Spee	Non-Executive Director (resigned 19 April 2012)

(ii) Executives

Prakash Patel	Chief Operating Officer, CFO and Company Secretary
Dr John Andrews	Chief Scientific Officer
Thee Woon Goh	Director of Prime Biologics Pte Ltd in Singapore.

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(b) Remuneration of Key Management Personnel

	Consolidated Group	
	2012	2011
	\$	\$
Short-term employee benefits	1,419,585	1,461,418
Post-employment benefits	57,658	59,345
Share-based payments	5,387	-
	<u>1,482,630</u>	<u>1,520,763</u>

(c) Share based compensation - Options

Options remuneration has been calculated in accordance with the fair value measurements provisions of AASB 2 “Share Based Payments”,

The fair value of each option is estimated on grant date using Black-Scholes option pricing model.

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 statement of comprehensive income and held as part of the share options reserve in the statement of financial position.

(i) Options holding of directors and executives

Directors

There were 1,250,000 share options on issue during the 2012 and no share options on issue during the 2011 financial year.

Executives

There were no share options on issue during the 2012 and 2011 financial year.

(ii) Options granted & vesting period

Directors

There were 1,250,000 share options on issue during the 2012 and no share options on issue during the 2011 financial year.

Executives

There were no share options on issue during the 2012 and 2011 financial year.

(iii) Options exercised during the year

No options were exercised during the 2012 and 2011 financial year.

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(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 Holdings 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
2012				
John Manusu	2,342,867	-	1,702,000	4,044,867
Dr Hari Nair	1,038,680	-	200,000	1,238,680
Iain Howard Sorrell	902,328	-	199,000	1,101,328
David Roffe *	-	-	5,000	5,000
Ward Wescott *	-	-	2,100,093	2,100,093
Andrew Goodall *	-	-	19,000,000	19,000,000
Total	4,283,875	-	23,206,093	27,489,968

* Directors appointed during the year.

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
2011				
John Manusu	2,168,032	-	174,835	2,342,867
Dr Hari Nair	1,038,680	-	-	1,038,680
Iain Howard Sorrell	799,650	-	102,678	902,328
William Spee	2,529,152	-	122,678	2,651,830
Total	6,535,514	-	400,191	6,935,705

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
2012				
Prakash Patel	2,446	-	-	2,446
Total	2,446	-	-	2,446

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
2011				
Prakash Patel	2,446	-	-	2,446
Total	2,446	-	-	2,446

(e) Other transactions with key management personnel

- i) The current Directors partially underwrote the share purchase offer under the prospectus dated 5 July 2011. Underwriting fees were paid on normal commercial terms and conditions.
- ii) At 30 June 2012 \$233,773 was payable to current directors of NuSep Holdings Ltd for Director Fees as outlined in Note 15.
- iii) At 30 June 2012 \$1,068,422 was payable to current directors for loans as outlined in Note 16, these loans were on normal commercial terms and conditions.
- iv) At 30 June 2012 \$1,384,177 was receivable from a shareholder DCS Healthcare Pte Ltd being the balance of the debt from the exercise of 15¢ share options in November 2011. Thee Woon Goh who is a non-executive Director of Prime

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Biologics Pte Ltd in Singapore is also a Director of DCS Healthcare Pte Ltd. NuSep has entered into a commercial arrangement with the shareholder to settle this debt, further explanation on the debt outlined in Note 1(v).

24. Related party transactions

(a) Ultimate Parent

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

(b) Wholly-owned group transactions

Transactions between NuSep Holdings Ltd and other entities in the wholly-owned group during the year ended 30 June 2012 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 Holdings Ltd.

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 23.

25. Controlled entities

	Cost of Parent Entity's investment			
	2012		2011	
	\$		\$	
Share in controlled entities – at cost	-		-	

Name of entity	Country of Incorporation	Class of share	Equity Holding	
			2012	2011
			%	%
Subsidiaries of NuSep Holdings Ltd:				
NuSep Pty Ltd	Australia	Ordinary	100	100
SpermGen Pty Limited	Australia	Ordinary	100	100
NuSep Inc	United States	Ordinary	100	100
InqSep Inc	United States	Ordinary	100	100
Prime Biologics Pte Ltd (previously Singapharm Pte Ltd)	Singapore	Ordinary	100	100
NuSep SDN BHD	Malaysia	Ordinary	99	99
Kaogen Pty Ltd	Australia	Ordinary	100	100

26. 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 statement of financial position 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) Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;

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- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

Consolidated Group	Within 1 Year		1 to 5 Years		Total	
	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$
<i>Financial liabilities due for payment</i>						
Trade and other payables	2,655,059	2,674,914	-	90,000	2,655,059	2,764,914
Amounts payable to related parties	1,376,143	150,000	-	-	1,376,143	150,000
Convertible Notes	-	2,286	-	375,000	-	377,286
Total expected outflows	4,031,202	2,827,200	-	465,000	4,031,202	3,292,200
<i>Financial assets – cash flows realisable</i>						
Cash and cash equivalents	173,447	29,009	-	-	173,447	29,009
Trade, term and loan receivables	212,964	825,720	-	-	212,964	825,720
Other investments	-	-	300,000	300,000	300,000	300,000
Total anticipated inflows	386,411	854,729	300,000	300,000	686,411	1,154,729
Net (outflow)/ inflow on financial instruments	(3,644,791)	(1,972,471)	300,000	(165,000)	(3,344,791)	(2,137,471)

(c) Market Risk

(i) Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cashflows or the fair value of fixed rate financial instruments. As at 30 June 2012 all of the Company's interest bearing liabilities are at fixed rate, therefore the Group is not exposed to interest rate risk.

(ii) Foreign Exchange Risk

Exposure to foreign exchange risk may result in the fair value or future cashflows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group. The Group operates internationally and is exposed to foreign exchange risk primarily arising from currency exposures to the US and Singaporean dollars. The Group does not generally use derivative financial instruments as the Group seeks to offset its revenues and receivables denominated in US and Singaporean dollars with expenses and payables in the same currency where it is appropriate to do so.

The following table shows the foreign currency risk on the financial assets and liabilities of the Group's operations denominated in different currencies, including the functional currency of the operations.

2012	Net Financial Assets/(Liabilities) in AUD			
	USD	SGD	Other	Total AUD
Consolidated Group				
Financial Assets				
Cash and cash equivalents	50,073	366	-	50,439
Trade and other receivables	125,261	-	16,693	141,954
Financial Liabilities				
Trade and other payables	(846,029)	(126,344)	-	(972,373)
Statement of financial position exposure	(670,695)	(125,978)	16,693	(779,980)

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2011 Consolidated Group	Net Financial Assets/(Liabilities) in AUD			
	USD	SGD	Other	Total AUD
Financial Assets				
Cash and cash equivalents	11,721	738	-	12,459
Trade and other receivables	75,932	9,808	4,611	90,351
Financial Liabilities				
Trade and other payables	(796,687)	(21,947)	-	(818,634)
Statement of financial position exposure	(709,034)	(11,401)	4,611	(715,824)

Sensitivity analysis

At 30 June 2012, 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:

	Post tax loss Higher/(Lower)	
	2012	2011
	\$	\$
Consolidated Group		
AUD/USD +5%	(152,785)	(646,665)
AUD/USD – 5%	152,785	646,665

(d) Net Fair Value of Financial Assets and Liabilities

(i) On-Statement of financial position

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-Statement of financial position

There are no off statement of financial position financial assets and liabilities as at 30 June 2012.

27. 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	
	2012	2011
	\$	\$
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	232,984	213,210
Later than one year but not later than 5 years	49,042	69,420
Later than 5 years	-	-
	282,026	282,630
Representing:		
Non-cancellable operating leases	282,026	282,630
	282,026	282,630

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At 30 June 2012 the Group has two operating leases for its commercial properties. These are non-cancellable leases. The lease in Lane Cove - Australia has remaining a non-cancellable lease term of 1 year. The lease in Georgia - US has remaining a non-cancellable lease term of 1-3 years. The commercial property leases also includes a clause to enable upward revision of the rental charge on commercially negotiated terms.

28. 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 PrIME technology in both the commercial and research markets, including the ProteomeSep and SpermSep devices. NuSep's patented PrIME technology is also currently in the process of being used to manufacture human blood plasma products in mini-plasma mills. The business unit is based in Sydney and Singapore.

Software

Develops and markets the ProteoIQ software which supports the entire proteomic data analysis pipeline from identification to quantification. The business unit is based in Atlanta.

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.

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2012	Consumable products \$	Separations \$	Software \$	Consolidated \$
Revenues from sales or services	1,822,791	372,353	354,271	2,549,415
Revenues from outside the operating activities:				
Interest	-	8,033	-	8,033
Total segment revenue	<u>1,822,791</u>	<u>380,386</u>	<u>354,271</u>	<u>2,557,448</u>
Profit/(Loss) from ordinary activities	210,259	(3,174,238)	(3,344,233)	(6,308,215)
Profit /(Loss) from ordinary activities after income tax expense	<u>210,259</u>	<u>(3,174,238)</u>	<u>(3,344,233)</u>	<u>(6,308,215)</u>
Depreciation and amortisation expense	<u>406,738</u>	<u>111,923</u>	<u>172,294</u>	<u>690,955</u>
Segment assets	<u>3,485,844</u>	<u>5,436,537</u>	<u>29,486</u>	<u>8,951,867</u>
Segment liabilities	<u>2,303,107</u>	<u>1,423,808</u>	<u>662,573</u>	<u>4,389,488</u>
Acquisition of capital assets	11,770	3,565	-	15,335
2011	Consumable products \$	Separations \$	Software \$	Consolidated \$
Revenues from sales or services	979,734	404,131	415,845	1,799,710
Revenues from outside the operating activities:				
Interest	-	32,606	-	32,606
Write off contingent consideration	-	-	3,094,805	3,094,805
Total segment revenue	<u>979,734</u>	<u>436,737</u>	<u>3,510,650</u>	<u>4,927,121</u>
Profit/(Loss) from ordinary activities	138,755	(3,265,693)	(3,194,159)	(6,321,097)
Profit /(Loss) from ordinary activities after income tax expense	<u>138,755</u>	<u>(3,265,693)</u>	<u>(3,194,159)</u>	<u>(6,321,097)</u>
Depreciation and amortisation expense	<u>261,399</u>	<u>150,030</u>	<u>467,100</u>	<u>878,529</u>
Segment assets	<u>4,045,345</u>	<u>3,280,626</u>	<u>3,245,293</u>	<u>10,571,264</u>
Segment liabilities	<u>1,910,817</u>	<u>1,025,303</u>	<u>640,061</u>	<u>3,576,181</u>
Acquisition of capital assets	527,854	42,373	6,801	576,308

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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	
	2012	2011	2012	2011
	\$	\$	\$	\$
Australia	1,082,442	911,008	7,202,621	7,231,605
USA	1,204,363	787,004	159,884	3,327,287
Europe	132,170	79,163	-	-
Other countries	138,473	22,535	1,589,362	12,372
	2,557,448	1,799,710	8,951,867	10,571,264

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 8 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.

29. Events after Balance Date

The following events occurred subsequent to 30 June 2012:

- a) The Company announced on 14th August 2012 that it had received fit out and equipment at the A-Bio facility in Singapore in lieu of a 10% shareholding in Prime Biologics Singapore valued at S\$6m to the SGX listed Luye Pharma Group.
- b) The Company announced on 27th September 2012 that it had improved the recoverability prospects of the outstanding share proceeds of \$1,384,177, which is included in other receivables and fully provided against. At year end the shares were assigned to DCS Healthcare Pte Ltd as a commercial liability without formal security. The Company has worked with the directors of DCS Healthcare Pte Ltd and arranged for Mr Thee Woon Goh to transfer the shares back into his personal name so that NuSep can obtain a full recourse position against an individual, rather than remaining with DCS Healthcare Pte Ltd, which did not have any additional chargeable assets to provide as security. A commercial debt agreement has been executed in September 2012 with Mr Goh, and also a formal lien placed over the related shares. The Company will commence recovery proceedings if settlement is not forthcoming.

Except for the items discussed above no other matters or circumstances have arisen since 30 June 2012 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

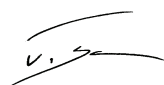
The registered office and principal place of business of the company is:
324 Burns Bay Road
Lane Cove, NSW 2066
Australia

Directors' Declaration

The directors of the company declare that:

- (a) the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001* and
 - (i) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - (ii) give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the company and consolidated group;
- (b) the Chief Executive Officer and Chief Finance Officer have each declared that:
 - (i) the financial records of the company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;
 - (ii) the financial statements and notes for the financial year comply with Accounting Standards; and
 - (iii) the financial statements and notes for the financial year give a true and fair view; and
- (c) 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

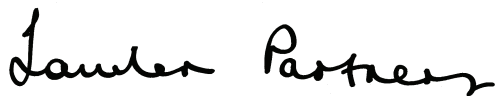
Sydney
28 September 2012

NUSEP LIMITED AND CONTROLLED ENTITIES
ABN: 33 120 047 556

AUDITORS INDEPENDENCE DECLARATION UNDER
SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



LAWLER PARTNERS
Chartered Accountants



CLAYTON HICKEY
Partner

Newcastle

Dated: 28 September 2012

INDEPENDENT AUDIT REPORT

To the shareholders of NuSep Holdings Limited and Controlled Entities

We were engaged to audit the accompanying financial report of NuSep Holdings Limited and Controlled Entities (the company), which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on conducting the audit in accordance with Australian Auditing Standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Independence

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

Basis for Disclaimer of Opinion

Significant Uncertainty Regarding Going Concern

The financial statements have been prepared on the going concern basis, which indicates continuity of business activities and the realisation of assets and settlement of liabilities in the normal course of business. As at 30 June 2012 the group had net current liabilities of (\$3,520,296). The group made a net loss of (\$6,308,215) and incurred net cash outflows from operating activities of (\$655,087), net cash outflows from investing activities of (\$2,402,653) and cash inflows from financing activities of \$3,202,178 for the year ended 30 June 2012.

As disclosed in Note 1(a) to the financial report, the ability of the group to continue as a going concern is dependent on the receipt of a research and development tax incentive from the Australian Taxation Office, the recovery of other debtors which have been fully impaired during the year, and the raising of sufficient capital over the coming 12 months to achieve projected cash flows.



INDEPENDENT AUDIT REPORT

To the shareholders of NuSep Holdings Limited and Controlled Entities

Basis for Disclaimer of Opinion (cont'd)

Significant Uncertainty Regarding Going Concern (cont'd)

These conditions, along with other matters as set forth in Note 1(a), indicate the existence of a material uncertainty which casts significant doubt on the group's ability to continue as a going concern. Therefore the group may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial report.

Other Matters

Prior period Auditor's Review Report

We draw attention that for the half year ended 31 December 2011 the company's previous Auditor issued an independent Auditor's Review Report that contained a Disclaimer of Opinion. The disclaimer was based upon the previous auditor not being able to obtain sufficient appropriate evidence to provide a basis for a review conclusion. The basis for the disclaimer of conclusion included: unsatisfactory explanations from management in respect of capitalised expenditure recognised as intangible assets; doubt over the collectability of other receivables; and a significant uncertainty regarding going concern.

Other financial information

The audited financial statements are included from pages 3 to 53 of the financial report. The financial statements have 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. The financial statements and notes also comply with International Financial Reporting Standards (IFRS).

Attention is drawn to non-IFRS accounting disclosures in other areas of the financial report. Non-IFRS accounting disclosures included within the financial report should be read in conjunction with the financial statements.



LAWLER PARTNERS
Chartered Accountants



CLAYTON HICKEY
Partner

Newcastle
Dated: 28 September 2012

Shareholder Information

The shareholder information set out below was applicable as at 24 September 2012.

A. Distribution of Equity Securities

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

	Number of Ordinary Shares
1 – 1,000	51,163
1,001 – 5,000	533,286
5,001 – 10,000	569,442
10,001 – 100,000	11,941,234
100,001 – Over	98,056,376
	<hr/> <u>111,151,501</u>

There were 478 holders of less than a marketable parcel of ordinary shares, total shares held is 874,841 and represents 0.79% 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
Andrew Goodall	22,230,000	20.00
Thee Woon Goh	13,182,691	11.86
Ying Ming Chiu & Miew Choo Teoh	6,109,700	5.50
Liew Wing Kong	4,857,142	4.37
Ernest Goodall & Marjorie Goodall	3,461,195	3.11
Spee Nominees Pty Ltd	2,071,428	1.86
John Manusu	1,952,900	1.76
Balmain Securities Pty	1,799,618	1.62
John Manusu	1,445,361	1.30
Julie Avotins	1,354,405	1.22
B Arthur Pty Ltd	1,225,684	1.10
Anthony Loughnan	1,191,419	1.07
Chenicheri Nair	1,152,104	1.04
Iain Howard-Sorrell	1,101,328	0.99
UDB Pty Limited	1,000,000	0.90
Hammond Royce Corporation Pty Ltd	834,881	0.75
Jianjun Zhou	750,000	0.68
Shabbir Moochhala	714,286	0.64
Frere & Associates Pty Limited	641,695	0.58
Nutsville Pty Ltd	635,000	0.57
	<hr/> <u>67,710,837</u>	<hr/> <u>60.91</u>

C. Substantial Shareholders as at 24 September 2012.

Ordinary shares

	Number held	Percentage
Mr Andrew Ernest Goodall	22,230,000	20.00
Thee Woon Goh	13,182,691	11.86
Ying Ming Chiu & Miew Choo Teoh	6,109,700	5.50

D. Unquoted Equity Securities

	Number on Issue	Number of Holders
NuSep Holdings Ltd Directors, Employee and Consultants Option Plan	1,250,000	3
	<hr/> <hr/>	<hr/> <hr/>
	1,250,000	3

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 Holdings Ltd
ABN 33 120 047 556

Directors

John Manusu (Non-Executive Chairman)
Dr Hari Nair (Managing Director)
Iain Howard Sorrell (Non-Executive Director)
David Roffe (Non-Executive Director)
Ward Wescott (Non-Executive Director)
Andrew Goodall (Non-Executive Director)

Company Secretary

Swapna Keskar
Prakash Patel

Registered Office

324 Burns Bay Road
Lane Cove, NSW 2066
Australia

Tel: 61 2 8415 7300
Fax: 61 2 8415 7399
Email: info@NuSep.com
Website: www.NuSep.com

Share Registry

Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney, NSW 2000

Solicitors

Bartier Perry
18/133 Castlereagh Street
Sydney, NSW 2000

Auditors

Lawler Partners
Level 9, 1 O'Connell Street
Sydney, NSW 2000



NuSep
Experts in protein discovery

