ANALYTICA LIMITED

and its controlled entities

ABN 12 006 464 866

Annual Report

for the year ended 30 June 2009

INDEX

CORPORATE DIRECTORY

Directors

Dr. Michael Monsour	Chairman
Mr. David Gooch	Non-Executive Director
Mr. Ross Mangelsdorf	Non-Executive Director

Company Secretary

Mr. Ben Graham

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Eight Mile Plains
Qld 4113

Auditors

Bentleys Chartered Accountants
Level 26, AMP Place,
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Chairman's Letter to Shareholders
For the year ended 30 June 2009

Dear Shareholder,

Welcome to Analytica Limited's Annual Report for the year ended 30 June 2009.

The 12 months through to 30 June 2009 have presented your company with a number of challenges and have seen a number of significant milestones met.

The Company was well supported by shareholders during the year, raising $1.2 million from the exercise of share options. Subsequent to 30 June, the company raised a further $879,245 via a Share Purchase Plan. These funds have and will be used in meeting sales and marketing costs associated with the AutoStart® Burette as well as to meet other working capital requirements.

The loss for the year was $1,901,780, an increase on the loss for the 2008 year of $829,457. The significantly increased loss is primarily due to the non-cash expense ($669,972) relating to the issue of share options during the year. Expenses relating to both research & development and sales & marketing were both significantly higher in 2009 than the prior year. The Board plays an active roll in the operations of the Company and I can assure shareholders that their funds are applied wisely.

As you will read elsewhere in this report, the main focus of activities during the year has been on the AutoStart® Burette and its commercialisation.

The question I am most frequently asked by shareholders is when will we make our first sales of the AutoStart® Burette and indeed why have we not yet reported any sales? I can understand the frustration of shareholders who may perceive there has been a lack of progress on the AutoStart® Burette, however I can assure you all that this is not the case.

We are bringing to market a product which represents the first major advance in burette technology for several decades; we are working with government bureaucracy's; we are competing against major suppliers with established relationships in both the public and private healthcare sector. The task we are undertaking is by no means an easy one. And as this is our first product, we must prove ourselves to our potential customers before we can commence selling product.

We have made tremendous gains in terms of market awareness of our AutoStart® Burette over the past year. We have successfully completed trials in hospitals, with more planned over the coming months. We have attracted the interest of a number of parties who have approached Analytica with an interest in distributing the AutoStart® Burette not only in Australia, but in overseas markets as well.

Obviously we would all have liked to have seen some sales by now, but that simply hasn't happened. It has taken longer and been more difficult than we had originally anticipated, and we have encountered time consuming delays that were not expected. I am reluctant to put any timeframe on when we can expect to see initial sales, however I would like to believe that it will be sooner rather than later.

Further details on the progress of the company during the year can be found in the Review of Operations section of the Directors Report.

Your Board has also been busy mapping out a new strategic direction for Analytica to follow into the future. The ability to raise sufficient capital in a timely manner is one of the key challenges faced by not only Analytica but by every other micro-cap company. Put simply, Analytica, in its current form, is not an attractive enough proposition for the broker community and thus raising large amounts of equity is almost impossible. The company is also hampered by its share price, which has not performed satisfactorily over the years.

Chairman's Letter to Shareholders
For the year ended 30 June 2009

In order for Analytica to move forward and be in a position to offer real value to shareholders, it must become a more attractive investment. Analytica cannot survive on the back of the AutoStart® Burette alone and continue to raise small amounts of capital at a low share price every 12 to 18 months.

The Board are finalizing a new business plan which will see Analytica seek to raise some significant new funds to allow it to pursue investments in other technology companies and to seek out new products which it can develop. The aim is to make Analytica an attractive investment by offering investors exposure to a number of potential opportunities, be that via an investment Analytica makes in another entity, or by way of new product development. The investments Analytica make will be strategic and the Board have developed criteria in terms of exit strategy and the desired level of return. Any new products the company licenses in will compliment Analytica's existing skill set. This change in direction is about providing a long-term future for Analytica and one that will see value returned to shareholders. The company's investment in the drug development company CBio Limited is detailed in the Review of Operations.

Finally, it is with much sadness that I mention the passing in July of one of our directors, Mr. Jim Heckathorn. Jim was appointed a director of Analytica in 2004 and he played an integral part in the development of the AutoStart® Burette and the establishment of the relationship with our manufacturing partners. Jim was active in the company right up to his passing and he will be greatly missed by his fellow directors and the Analytica staff.

Thank you once again to you, the valued shareholders, for your ongoing support of the Company. I look forward to bringing you much positive news throughout the 2009/10 year.

Michael Monsour

Dr Michael Monsour
Chairman

Your directors' present their report on the Company and its controlled entities for the financial year ended 30 June 2009.

PRINCIPAL ACTIVITIES

The principal activities of consolidated group during the financial year were:

- The development of intellectual property in the medical device field in relation to patents in the burette, retractable syringe and retractable needle field;
- Maintenance of a joint venture company to facilitate the manufacture and sale of the entities products;
- Manufacture of Naltrexone implants

There were no significant changes in the nature of the economic entity's principal activities during the financial year.

OPERATING RESULT

The consolidated loss of the consolidated group after providing for income tax amounted to $1,901,780 (2008: $829,457).

DIVIDENDS

No dividends have been paid or declared during the financial year and the directors do not recommend that any dividend be paid.

REVIEW OF OPERATIONS

The focus of Analytica's activities throughout the year under review were once again on bringing the AutoStart® Burette to market.

The Company announced in November that is had released its premium product, the AutoStart® Burette, into the Australian market.

The Analytica AutoStart® Burette is a sterile, single-use infusion device that provides automatic flow control functionality not found in any other burette. The patented AutoStart® system automatically restarts the flow from the infusion reservoir once a bolus dose of medication is delivered, allowing the clinician to attend to other issues. It is estimated that the AutoStart® Burette frees 20 minutes of nurse time per patient per 24 hour period, which means the device effectively pays for itself in nurse time-savings. In today's under staffed hospitals, time savings are critical to nurses, patients, and administrators alike.

Since its release, Analytica has been conducting a clinical evaluation program at numerous hospitals involving trials of the AutoStart® Burette in a clinical environment. A successful outcome from trials is required prior to public hospitals and health authorities being allowed to purchase the AutoStart® Burette. The AutoStart® Burette has successfully completed its initial trial, with additional trials underway and planned for the coming months.

The year under review has also seen Analytica experience some teething problems in terms on manufacturing and logistics which have caused a delay to the AutoStart® Burette's clinical evaluation program. These problems are to be expected, and the majority of issued has been resolved with no further delays in the delivery of product anticipated.

Throughout the year, Analytica has been engaged in discussions with numerous parties in relation to potential distribution and licensing arrangements for the AutoStart® Burette. These discussions have centered around not only distribution within Australia, but also overseas territories as well. The interest in the AutoStart® Burette from these parties has been strong and active negotiations are ongoing.

Analytica will continue to market the AutoStart® Burette throughout Australia over the coming months, however it is expected that Analytica's involvement in a sales capacity will cease upon the appointment of a distributor.

During the year Analytica engaged a specialist Brisbane-based design firm to assist with the finalisation of the design and manufacturing specifications for the Automatic Retractable Needle.

It was expected that this project could progress to the tooling phase and the manufacture of production-equivalent units late in 2009, however with resources still being applied to the AutoStart® Burette project this was not possible. The Board is not certain, at this stage, of the timeline for the completion of this project. Further work will be dependant on the availability of funding and given the passage of time since the project was started, whether or not their remains sound commercial grounds to continue work on the retractable technology.

The Company incurred some expenses during the year in relation to its Naltrexone implant program. This project has was re-started following the successful capital raising during the year. Analytica has applied for grant funding in conjunction with the University of Sydney to progress the Naltrexone implant project and it is expected the outcome of the grant application will be known during the fourth quarter of 2009. It is expected that pre-clinical studies can be completed by early 2010 with human clinical trials to follow.

The Company appointed Mr. Ross Mangelsdorf to the Board in October. Mr Mangelsdorf is a Chartered Accountant with 27 years experience. He works with SME production, manufacturing and retail firms assisting them with business, taxation and management services, taking on the role of Chief Financial Officer for a number of firms. He is also director of a Queensland-based land development company and a chartered accounting firm.

In April the Company announced that it had made a strategic investment in the drug development company CBio Limited. This investment is part of a new direction the Board has put in place for Analytica in order to strengthen the depth of the company's opportunities in the biotechnology sector. As outlined in the Chairman's Letter, this is part of an overall strategy to improve the attractiveness of Analytica as an investment to not only shareholders, but also to brokers and advisors. Should funding be available and market conditions permit, Analytica will seek to increase its investment in CBio by the end of 2009.

Analytica was well supported by its shareholders during the period, with the Company raising $1.2 million in new equity through the exercise of 62,785,220 share options at $0.02 each. Each Analytica director exercised options as part of this raising. These options were issued as part of a successful Rights Issue conducted in 2007.

FINANCIAL POSITION

The net assets of the consolidated group have increased by $23,897 to $681,132 (2008: $657,235). Total assets have increased to $1,197,749, of which $545,269 is cash (2008: $947,113) .The marginal increase in net assets over the year is largely due to the exercise of share options which took place during the year, which raised $1,255,705 in new equity. The increased loss during the year of $1,901,780 (2008: $829,457) can largely be attributed to the non-cash expense of $669,972 incurred in relation to the issue of share options during the year (2008: $17,776) as well as increased research and development, marketing and administration costs.

The directors believe the consolidated group is in a strong and stable financial position to expand and grow its current operations.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

All significant changes in the state of affairs of the parent entity that occurred during the financial year are discussed in the Review of Operations section of this report.

AFTER BALANCE DATE EVENTS

In July the Company received confirmation from ASIC that its applications for the voluntary deregistration of Brewer Retractable Technologies Pty Ltd, Graesser Pty Ltd and Recovery Clinic Pty Ltd, all dormant subsidiary companies, have been accepted. The Company was advised in September that the deregistration has been formally completed. The Company is progressing with the deregistration of another dormant entity, YL Brands Pty Ltd, a Company 95% owned by Analytica. It is expected that this entity will be deregistered by 31 December 2009.

In July the Company announced a Share Purchase Plan (SPP), enabling all eligible shareholders to each purchase up to $15,000 worth of Analytica shares at 2.2 cents per share without incurring any brokerage costs. The offer closed on 19 August 2009. A total of $879,245 was raised in the SPP, representing 39,965,790 new shares which have been issued.

Mr Jim Heckathorn, a Non-Executive director since 2004, passed away in July after a brief illness. Mr Heckathorn was instrumental in the development of the AutoStart® Burette, working closely with Analytica staff in overcoming many design and manufacturing challenges, and bringing it to the point of commercialisation. He has been heavily involved in all aspects of the business since his appointment, including the establishment of a Joint Venture company and the Company's Naltrexone project. His contribution to the Board over the past few years has been substantial and he will be greatly missed by his fellow directors and Analytica staff.

Other than the matter outlined above, there have not been any other matters or circumstances that have arisen since the end of the year, that have significantly affected, or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the company in financial years after the 2009 financial year.

FUTURE DEVELOPMENTS

The directors and management are focused on building the current business through the development and commercialisation of similar businesses and technologies in the medical technology area that can take advantage of our expertise and resources to optimise returns to shareholders.

The likely developments in the operations of the consolidated group and the expected results of those operations in future financial years are as follows:

- Initial sales of the AutoStart® Burette in the Australian market
- Appointment of specialist medical device distributors to distribute Analytica's range of products
- Successful manufacture of Naltrexone implants suitable for clinical trials;
- Clinical trials using Naltrexone implants to treat alcohol and drug addicted patients
- Application for North American (FDA) and European (CE Mark) regulatory approval
- Continued development of 'next generation' products.

ENVIRONMENTAL ISSUES

The Company's operations are not subject to significant environmental regulation under the law of the Commonwealth and State.

SHARE CAPITAL AND OTHER EQUITY SECURITIES

All changes to the capital structure, including options during the year are set out in Note 16 – Issued Capital.

DIRECTORS

The names of the directors of the company in office as at the date of this report are:

Dr Michael Monsour	Chairman
Mr. David Gooch	Non-Executive Director
Mr. Ross Mangelsdorf	Non-Executive Director (Appointed 7 October 2008)

Mr. Jim Heckathorn held the position of Non-Executive Director of the Company for the entire financial year. Unfortunately Mr. Heckathorn passed away following the end of the reporting period.

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

DIRECTORS' QUALIFICATIONS AND EXPERIENCE

Dr Michael Monsour, MBBS-HONS, FACRRM, FAICD; Chairman (appointed 28 June 2004)

Dr Michael Monsour is a Medical Practitioner with extensive interests in Queensland medical and dental centres. Michael Monsour graduated from the University of Queensland in 1977 in medicine with honours. He operates a medical management company, which provides management support to medical and dental practitioners. He is the principal of Godbar Software (established 1988) which is one of the leading software developers of Occupational Health, Safety and Medical Accounting software packages in Australia.

Dr Monsour is currently the chairman of InJet Digital Aerosols Limited and a non-executive director of CBio Limited. He is also a non-executive director of Australian Technology Innovation Fund Limited and Australia Biofund Investment Limited (Hong Kong). Dr Monsour was formerly a director of the listed entity BresaGen Limited (July 2005 to November 2006). Dr Monsour was appointed to the Audit & Risk Management Committee subsequent to the balance date.

Directors' interest in ordinary shares: 13,420,555
Directors' interest in share options: 10,000,000

Mr. David Gooch FAICD; Non-Executive Director (appointed 30 November 2004)

Mr Gooch is a well known Sydney businessman who has developed and been instrumental in the steering to success of several small and medium sized businesses. Mr. Gooch is now a corporate advisor and financial management specialist who has had experience in industries including construction, hospitality, retail and finance. Mr. Gooch's strong sales and marketing background will aid Analytica in the next stage of its business development.

Directors' interest in ordinary shares: 1,175,000
Directors' interest in share options: 10,000,000

Mr. Ross Mangelsdorf Non-Executive Director (Appointed 7 October 2008)

Mr Mangelsdorf is a director of a Queensland-based land development company and a chartered accounting firm. He has been a director/partner for 26 years including 4 years with Touche Ross & Co. He works with SME production, manufacturing and retail firms assisting with business, taxation and management services. For a number of firms Mr Mangelsdorf takes the role of Chief Financial Officer. Mr Mangelsdorf is a member of the Audit & Risk Management Committee.

Directors' interest in ordinary shares: 4,608,367
Directors' interest in share options: 3,000,000

Mr. Jim Heckathorn Non-Executive Director (passed away 21 July 2009)

Mr Heckathorn was an expert in plastics and manufacturing of complex plastic and like products. He was an experienced businessman and qualified in Chemistry from Kent State University in the USA and added chemical engineering and maths to his credit. Mr Heckathorn had worked at NASA on the American space programme and he was instrumental in the development of the retractable technologies and the AutoStart® Burette. Mr Heckathorn was a member of the Audit & Risk Management Committee.

Directors' interest in ordinary shares: 1,600,000
Directors' interest in share options: 11,000,000

COMPANY SECRETARY

Mr. Ben Graham

Mr Graham is an Accountant who has worked for the past eight years in senior positions in the medical device and bio-pharmaceutical industries. Mr. Graham is experienced in both listed and non-listed public companies and is a specialist in financial and corporate compliance matters with particular emphasis on emerging and early commercialisation-stage companies.

INDEMNITY

In accordance with the constitution of Analytica Limited:

Every Director, Secretary, Manager, Accountant, Trustee or other person employed in the business of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay, all costs, losses and expenses for which any such Director, Secretary, Manager, Accountant, Trustee or other person as aforesaid may become liable by reason of any contract entered into or act or deed done by him as such Director, Secretary, Manager, Accountant, Trustee or servant in any way in the proper discharge of his duties, unless such costs, losses and expenses shall be caused or contributed to by his own negligence, default, breach of duty or breach of trust.

MEETINGS OF DIRECTORS

During the year, 13 meetings of directors and 2 meetings of committees of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Dr Michael Monsour	13	13	-	-
Mr David Gooch	13	13	-	-
Mr Jim Heckathorn	13	12	2	1
Mr Ross Mangelsdorf	10	10	2	2

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

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out on page 16.

NON-AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services by Bentleys 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 provision of these non-audit services did not compromise the independence of the external auditor due to the nature and scope of the non-audit service provided.

The following fees were paid or payable to Bentleys for non-audit services provided during the year ended 30 June 2009:

Tax compliance services	6,990
Audit of Royalty paid to Company	1,900
Total	8,890

REMUNERATION REPORT

This report outlines the nature and amount of remuneration for directors and executives of the company.

The performance of the company depends upon the quality of its directors and executives. It is imperative that the company attract and retain appropriately experienced and qualified directors and executives.

In accordance with best practice corporate governance, the structure of non-executive directors and executive management remuneration is separate and distinct.

Non- Executive Director Remuneration

The board policy is to remunerate non-executive directors at a level that provides the company with the ability to attract and retain directors with the experience and qualification appropriate to the development strategy of the company's Intellectual Property.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. This was set at $300,000 p/a by shareholders on 30th November 2004. Subsequent to this meeting Directors set individual directors fees as follows: Chairman's Fee $75,000 p/a plus statutory superannuation, non-executive directors fees are $50,000 p/a plus statutory superannuation. Based on the current Board Structure, total fees paid on a yearly basis will be $175,000 plus statutory superannuation. Directors' fees are reviewed annually.

Non-executive director's fees are not linked to the performance of the company. However, to align director's interests with shareholder interests, the directors are encouraged to hold shares in the company.

Executive Director Remuneration

The board policy is to remunerate executive directors at a level which provides the company with the ability to attract and retain executives with the experience and qualifications appropriate to the development strategy of the company's Intellectual Property.

There were no executive directors employed by the company during the year.

Key Management Personnel Remuneration

There was one additional key management person employed by the company during the year in addition to the company's directors. Mr Geoff Daly is the company's Operations Manager and was appointed on 7 November 2005. Mr Daly has extensive experience in the design of medical devices, prototyping and manufacturing.

Mr Daly is employed by the company under the terms and conditions set out in an employment contract. Due to the size of the company and the nature of its operations, the contract is open-ended and not for a specified time frame. Mr Daly's contract may be terminated by either party giving notice commensurate with his period of employment, which varies from 1 to 4 weeks. There is no provision in the employment contract for the payment of any termination payments other than accrued statutory entitlements.

Company executive fees are not linked to the performance of the company. However, to align executives' interests with shareholder interests, the executives are encouraged to hold shares in the company.

Key Management Personnel Remuneration

2009	Short-Term Benefits		Post Employ-ment	Other Long-Term Benefits	Terminati-on Benefits	Share-Based Payment	Total
Directors	Directors fees and Salary $	Consulting $	Super-annuation $	Other $	$	Options $	$
Dr Michael Monsour	75,000	-	6,750	-	-	198,151	279,901
Mr David Gooch	50,000	-	4,500	-	-	198,151	252,651
Mr Jim Heckathorn	50,000	16,200	5,958	-	-	198,151	270,309
Mr Ross Mangelsdorf (i)	37,500	-	3,375	-	-	59,445	100,320
	212,500	16,200	20,583	-	-	653,898	903,181
Executives							
Mr Geoff Daly	160,000	-	14,400	-	-	9,669	184,069

During the 2009 year, there were no bonuses, non-monetary benefits, share or cash-settled share-based payments made to key management personnel.

(i) Mr. Mangelsdorf was appointed a Director on 7 October 2008

Key Management Personnel Remuneration (cont'd)

2008	Short-Term Benefits		Post Employ-ment	Other Long-Term Benefits	Terminati-on Benefits	Share-Based Payment	Total
	Directors fees and Salary	Consulting	Super-annuation	Other		Shares / Options	
Directors	$	$	$	$	$	$	$
Dr Michael Monsour	75,000	-	6,750	-	-	-	81,750
Mr David Gooch	50,000	-	4,500	-	-	-	54,500
Mr Jim Heckathorn	50,000	18,000	6,120	-	-	25,000	99,120
	175,000	18,000	17,370	-	-	25,000	235,370
Executives							
Mr Geoff Daly	122,833	-	10,650	-	-	15,081	148,564

During the 2008 year, there were no bonuses, non-monetary benefits or cash-settled share-based payments made to key management personnel.

Options Issued As Remuneration for the Year Ended 30 June 2009

Options may be issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but may be issued to increase goal congruence between executives, directors and shareholders, and as a means to attract and retain appropriately qualified directors and executives. There are no performance milestones or other hurdles which must be met in order for Options to vest. Options issued to directors vested immediately on issue. Any unexercised Option granted pursuant to the Employee Share Option Plan shall lapse at the end of a period of not less than 30 days upon cessation of employment, except in the case of options issued to Directors, which lapse on expiry regardless of the position held (if any) with the Company at that time. There are no changes to the terms and conditions of any options granted as remuneration since grant date or any options granted in previous years as remuneration which have been exercised during the year.

Options Granted as Remuneration

					Terms and Conditions for Each grant		
Key Management Personnel	Vested No.	Granted No.	Grant Date	Value per Option at Grant Date $	Exercise Price $	First Exercise Date	Last Exercise Date
Dr Michael Monsour	10,000,000	10,000,000	26/11/08	0.02	0.05	26/11/08	30/06/12
Mr David Gooch	10,000,000	10,000,000	26/11/08	0.02	0.05	26/11/08	30/06/12
Mr Jim Heckathorn	10,000,000	10,000,000	26/11/08	0.02	0.05	26/11/08	30/06/12
Mr Ross Mangelsdorf	3,000,000	3,000,000	26/11/08	0.02	0.05	26/11/08	30/06/12
Mr. Geoff Daly	2,500,000	-	-	-	-	-	-

Key Management Personnel	Options Granted as Part of Remuneration $	Total Remuneration Represented by Options %	Options Exercised $	Options Lapsed ($)	Total $
Dr Michael Monsour	198,151	71	-	-	198,151
Mr David Gooch	198,151	78	-	-	198,151
Mr Jim Heckathorn	198,151	73	-	-	198,151
Mr Ross Mangelsdorf	59,445	59	-	-	59,445
Mr. Geoff Daly	9,669	-	-	-	9,669
	663,567	60	-	-	663,567

Key Management Personnel Equity Interests

Details of key management personnel equity interests can be found in Note 20- Interests of Key Management Personnel.

Options

At the date of this report, the unissued ordinary shares of Analytica Limited under option are 48,525,000. Refer to Note 15- Share Based Payments for further details.

On behalf of and in accordance with a resolution of the Directors.

michael Monsour

Dr. Michael Monsour
CHAIRMAN

Dated 15 September 2009

On 14 August 2008, the Company adopted a Corporate Governance Charter following a review of its corporate governance practices. The Charter was prepared with a view to complying with the ASX Corporate Governance Councils 'Corporate Governance Principles and Recommendations 2nd Edition'. The Board have taken the view that due to the nature and size of Analytica's operations, it is not appropriate at this stage to comply with all of the Councils recommendations. Deviations from the Council's recommendations are noted below.

This statement outlines the Company's principal corporate governance practices in place during the year.

1. Lay solid foundations for management and oversight

The Board acknowledges that its primary role is to create and safeguard shareholder value.

The Boards functions include:-

- charting strategy and set financial targets for the Group;
- monitoring the implementation and execution of strategy, performance against targets, and ensuring the availability of appropriate resources;
- to appoint and oversee the performance of executive management.
- reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance; and
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and sales;

All significant matters are dealt with by the Board.

The performance of Executives is reviewed and assessed on an ongoing basis throughout the year by the Chairman, with input from the other directors. The Chairman determines the evaluation criteria and process, which is to be the same in each case.

2. Structure the board to add value

The Board has a complimentary mix of skills that provide the desired depth and experience. Currently, the Board consists of three non-Executive Directors. The directors' names and biographical details are provided in the Directors' Report.

Where circumstances allow, the Chairman must be a non-executive Director who is also an Independent Director. Further, the Board must comprise, where circumstances allow, a majority of Independent Directors.

An independent director is independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of the Directors' unfettered and independent judgement.

The Board has determined that all of its non-executive Directors were independent, and were independent for the duration of the reporting period.

The Board regularly assesses whether each director remains an independent director in the light of interests disclosed by them, and each director must provide the Board with all relevant information for this purpose. Any change in the independent status of the independent directors will be disclosed to the market in a timely manner. Independent directors have the right to seek independent professional advice at the Company's expense in the furtherance of their duties as directors. Written approval must be obtained from the Chairman prior to incurring at expense on behalf of the Company.

Due to the size of Analytica's operations, the Company has not appointed a Chief Executive Officer. The Chairman is in regular contact with other directors and management concerning the operations of the Company. The Board has formed the view that it is more efficient for the board as a whole to deal with matters that would usually be the responsibility of the Chief Executive Officer.

The Board has not established a nomination committee. Due to the small size of the Analytica Board, the full Board is considered a more effective and appropriate mechanism to deliberate the selection, appointment and performance matters that would otherwise be dealt with by a Nomination Committee. Whilst it does not currently have a Nomination Committee in place, the Board has adopted a Nomination Committee Charter as part of its Corporate Governance Charter which will govern the operation of the Nomination Committee once formed.

The performance of all other Directors is reviewed and assessed each year by the Chairman, and the performance of the Chairman is reviewed and assessed each year by the other Directors. The Chairman determines the evaluation criteria and process, which is to be the same in each case.

The Board has not conducted a formal annual performance review this financial year. The Board is aware the success of the Company is dependence on the performance of the Board and as such the Chairman has regular contact with Directors on and individual and group basis to discuss and revise the goals and objectives of the Company.

3. Promote ethical and responsible decision making

The Company has adopted a Code of Conduct to give the directors mandatory directions to follow when performing their duties, to enable them to achieve the highest possible standards in meeting their obligations, and give them a clear understanding of practice in corporate governance.

The Board has established guidelines governing the purchase or sale of securities in the company by directors, executives and other employees of the Company who may be in possession of price-sensitive information. The Board has resolved to limit any dealings in the Company's shares to a period of four weeks following the release of the half-yearly and annual results and after the conclusion of the Annual General Meeting.

4. Safeguard integrity in financial reporting

The Board has established an Audit and Risk Management Committee to assist it in fulfilling its financial reporting, risk management and compliance responsibilities. The functions and responsibilities of the committee are set out in a Charter. Broadly, the Audit and Risk Management Committee is responsible for:

- monitoring the establishment of an appropriate internal control framework, including information systems, and its operation and considering enhancements;
- assessing corporate risk and ensuring compliance with internal controls;
- monitoring compliance with relevant legislative and regulatory requirements; and
- reviewing the nomination, performance and independence of the external auditors, including recommendations to the Board for the appointment or removal of any external auditor.

The Audit and Risk Management Committee consists of two independent directors and is chaired by an independent chair who is not chair of the board. Members of the Audit and Risk Management Committee are disclosed in the Directors' Report. The Board has reviewed the Committees membership and is satisfied that, given the size of the Analytica Board, the Committee is of the appropriate size and has appropriate financial representation.

The Audit and Risk Management Committee was formed on 14 August 2008 met twice in the year ended 30 June 2009.

5. Make timely and balanced disclosures

In accordance with ASX Listing Rules, Analytica will immediately publicly disclose any information that a reasonable person would expect to have a material effect on the value of its shares.

Due to the size of its Board and operations, the Company has not established written policies and procedures governing continuous disclosure and shareholder communication. The Board as a whole has the responsibility for approving the form and substance of any disclosure to be made by the Company to the ASX in fulfilment of its continuous disclosure obligations. Furthermore, all information communicated to the ASX is to be posted on the Company website.

6. Respect the right of shareholders

The Board strives to inform shareholders of all major developments affecting the groups activities and its state of affairs through the distribution of the Annual Report and through regular ASX announcements. The external auditor of the Company is asked to attend the annual general meeting to answer shareholder questions concerning the conduct, preparation and content of the audit report.

7. Recognise and manage risk

The Board is responsible for Company strategy, including the identification of material risks. This responsibility if fulfilled by the Audit and Risk Management Committee, which reviews the material risks affecting each business segment, develops strategies to mitigate these risks and reports to the Board following each meeting.

The Board has not established policies for the oversight and management of material business risks. The risk of the Company's and the Groups businesses are reviewed by the Board following each report by the Audit and Risk Management Committee. The report is a specific agenda item at each regular meeting of the Board. Once a risk is identified, an action plan is proposed and submitted to the Audit and Risk Management Committee and, through it, the Board is informed of the action plan.

The Audit and Risk Management Committee must approve the action plan. Corrective action must be taken as soon as practicable. Material business risks arise from such matters as actions by competitors, changes in government policy and use of information systems.

The Chairman of the Audit and Risk Management Committee must ensure the Company's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects, and provide a detailed statement to the Board about this at least annually.

The Company Secretary performs the function of Chief Financial Officer for the Company. The Company Secretary has provided the Board with a declaration in accordance with s295(A) of the Corporations Act 2001 (Cth) which is founded on a sound system of risk management and internal control which is operating effectively in all material respects in relation to financial reporting risks.

8. Remunerate fairly and responsibly

The Board has not established a Remuneration Committee. The Board has taken the view that given its size, the Board as a whole is the most appropriate mechanism to consider remuneration and other matters usually considered by a Remuneration Committee. Matters relating to the remuneration of Company Executives are usually considered by the Board on an annual basis, with particular regard for ensuring the Company has remuneration practices in place which will allow it to both attract and retain the best possible executives and employees. The Company, with shareholder approval, has granted options over ordinary shares in the Company to directors and executives to ensure that directors, executives and shareholder interests are aligned.

The remuneration paid to directors is subject to shareholder approval and is outlined in the Remuneration Report contained in the Directors Report.

There are no schemes for retirement benefits other than statutory superannuation for non-executive directors.

Although it does not have a Remuneration Committee in place, the Company has adopted a Remuneration Committee Charter as part of its Corporate Governance Charter which will govern the operation of the Remuneration Committee should one be formed in future.

Other information

Further information relating to the company's corporate governance practices and policies has been made available on the company's website, www.analyticamedical.com.

ANALYTICA LIMITED AND ITS CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ANALYTICA LIMITED

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

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

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

Bentleys

Bentleys
Brisbane Partnership
Chartered Accountants

Martin Power

PM Power
Partner

9th September 2009

Brisbane

Income Statement
For the year ended 30 June 2009

		CONSOLIDATED GROUP		PARENT ENTITY	
	Note	2009 $	2008 $	2009 $	2008 $
Revenue	2a	247,617	164,894	247,617	164,894
Rent		(20,609)	(1,614)	(20,609)	(1,614)
Administration		(1,181,044)	(462,531)	(1,177,174)	(458,091)
Sales & marketing		(303,560)	(77,714)	(303,560)	(77,714)
Research & Development		(508,454)	(385,953)	(508,454)	(385,953)
Depreciation and amortisation	2b	(9,642)	(10,926)	(9,642)	(10,062)
Finance costs		(29,750)	(12,506)	(29,750)	(12,506)
Other Expenses	2c	(96,338)	(43,107)	(98,988)	(47,107)
Loss before income tax		(1,901,780)	(829,457)	(1,900,560)	(828,153)
Income tax expense	3	-	-	-	-
Loss from continuing operations		(1,901,780)	(829,457)	(1,900,560)	(828,153)
Loss attributable to members of the parent entity		(1,901,780)	(829,457)	(1,900,560)	(828,153)
Basic/Diluted loss per share (cents per share)	4	(0.06 cents)	(0.03 cents)	-	-

The accompanying notes form part of these financial statements.

Balance Sheet
As at 30 June 2009

	Note	CONSOLIDATED GROUP 2009 $	CONSOLIDATED GROUP 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Current Assets					
Cash and cash equivalents	5a	545,269	947,113	544,472	944,518
Trade and other receivables	6a	138,367	149,883	138,332	149,747
Other current assets	7	-	-	788	989
Total Current Assets		683,636	1,096,996	683,592	1,095,254
Non-Current Assets					
Property, plant & equipment	8	14,113	13,611	14,113	13,611
Trade and other receivables	6b	-	30,000	-	30,000
Intangible assets	9	-	-	-	-
Financial assets	10	500,000	-	500,000	-
Investments accounted for using the equity method	12	-	-	-	-
Total Non-Current Assets		514,113	43,611	514,113	43,611
TOTAL ASSETS		1,197,749	1,140,607	1,197,705	1,138,865
Current Liabilities					
Trade and other payables	13	163,501	131,879	163,501	131,401
Financial liabilities	14	350,000	350,000	350,000	350,000
Total Current Liabilities		513,501	481,879	513,501	481,401
Non-Current Liabilities					
Long-term provisions		3,116	1,493	3,116	1,493
Total Non-Current Liabilities		3,116	1,493	3,116	1,493
TOTAL LIABILITIES		516,617	483,372	516,617	482,894
NET ASSETS		681,132	657,235	681,088	655,971
Equity					
Issued Capital	16	79,609,178	78,353,473	79,609,178	78,353,473
Reserves	17	2,630,508	1,960,536	2,630,508	1,960,536
Accumulated Losses		(81,558,559)	(79,656,779)	(81,558,598)	(79,658,038)
Parent interest		681,127	657,230	681,088	655,971
Minority equity interest		5	5	-	-
TOTAL EQUITY		681,132	657,235	681,088	655,971

The accompanying notes form part of these financial statements.

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

CONSOLIDATED GROUP

	Note	Share Capital $	Option Reserve $	Minority Interests $	Accumulated Losses $	Total $
Balance at 1 July 2007		77,208,491	1,942,760	5	(78,827,322)	323,934
Loss for year		-	-	-	(829,457)	(829,457)
Shares issued during the year		1,163,369	-	-	-	1,163,369
Equity-settled remuneration		-	17,776	-	-	17,776
Issue of shares to Director		25,000	-	-	-	25,000
Conversion of unlisted Options	16	31,594	-	-	-	31,594
Cost of share issue		(74,981)	-	-	-	(74,981)
Balance at 30 June 2008		78,353,473	1,960,536	5	(79,656,779)	657,235

	Note	Share Capital $	Option Reserve $	Minority Interests $	Accumulated Losses $	Total $
Balance at 1 July 2008		78,353,473	1,960,536	5	(79,656,779)	657,235
Loss for year		-	-	-	(1,901,780)	(1,901,780)
Equity-settled remuneration		-	669,972	-	-	669,972
Conversion of unlisted Options	16	1,255,705	-	-	-	1,255,705
Balance at 30 June 2009		79,609,178	2,630,508	5	(81,558,559)	681,132

The accompanying notes form part of these financial statements.

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

PARENT ENTITY

	Note	Share Capital $	Option Reserve $	Minority Interests $	Accumulated Losses $	Total $
Balance at 1 July 2007		77,208,491	1,942,760	-	(78,829,885)	321,366
Loss for year		-	-	-	(828,153)	(828,153)
Shares issued during the year		1,163,369	-	-	-	1,163,369
Equity-settled remuneration		-	17,776	-	-	17,776
Issue of shares to Director		25,000	-	-	-	25,000
Conversion of unlisted Options	16	31,594	-	-	-	31,594
Cost of share issue		(74,981)	-	-	-	(74,981)
Balance at 30 June 2008		78,353,473	1,960,536	-	(79,658,038)	655,971

		Share Capital $	Option Reserve $	Minority Interests $	Accumulated Losses $	Total $
Balance at 1 July 2008		78,353,473	1,960,536	-	(79,658,038)	655,971
Loss for year		-	-	-	(1,900,560)	(1,900,560)
Equity-settled remuneration		-	669,972	-	-	669,972
Conversion of unlisted Options	16	1,255,705	-	-	-	1,255,705
Balance at 30 June 2009		79,609,178	2,630,508	-	(81,558,598)	681,088

The accompanying notes form part of these financial statements.

Cash Flow Statement
For the year ended 30 June 2009

	Note	CONSOLIDATED GROUP		PARENT ENTITY	
		2009 $	2008 $	2009 $	2008 $
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from customers		35,496	-	35,496	-
Grant income		237,944	-	237,944	-
Payments to suppliers and employees		(1,482,476)	(878,455)	(1,480,678)	(878,618)
Finance costs		(24,592)	(7,142)	(24,592)	(7,142)
Interest received		56,223	50,848	56,223	50,848
Net cash provided by (used in) operating activities	5b	(1,177,405)	(834,749)	(1,175,607)	(834,912)
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of non-current assets		(10,144)	(8,193)	(10,144)	(8,193)
Purchase of investments	10a	(500,000)	-	(500,000)	-
Proceeds from disposal of Businesses	6b	30,000	30,000	30,000	30,000
Net cash provided by (used in) investing activities		(480,144)	21,807	(480,144)	21,807
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		1,255,705	1,194,962	1,255,705	1,194,962
Proceeds from issue of convertible notes		-	350,000	-	350,000
Cost of share issue		-	(74,981)	-	(74,981)
Repayment of borrowings		-	(100,000)	-	(100,000)
Net cash provided by (used in) financing activities		1,255,705	1,369,981	1,255,705	1,369,981
Net increase / (Decrease) in cash held		(401,844)	557,039	(400,046)	556,876
Cash at beginning of financial year		947,113	390,074	944,518	387,642
Cash at end of financial year	5a	545,269	947,113	544,472	944,518

The accompanying notes form part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report covers the consolidated group of Analytica Limited and its controlled entities and Analytica Limited as an individual parent entity. Analytica Limited is a listed public company, incorporated and domiciled in Australia.

The Financial report of Analytica Limited and its controlled entities, and Analytica Limited as an individual parent entity, complies with all Australian equivalents to International Financial Reporting Standards (A-IFRS). Compliance with A-IFRS ensures that the financial report, comprising the financial statements and the notes, complies with International Financial Reporting Standards (IFRS).

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Going Concern

The financial report for the year ended 30 June 2009 is prepared on a going concern basis.

The company's forward cash-flow projections currently indicate that the company will be required to raise additional funds to meet forecast cash needs. The directors have considered this position and have assessed available funding options and believe should funding be required that sufficient funds could be sourced to satisfy creditors as and when they fall due. Subsequent to the balance date the Company conducted a Share Purchase Plan (SPP), which is expected to meet the short-term funding needs of the Company. A total of $879,245 was raised under the SPP. A larger capital raising is planned for later in the 2009 calendar year.

The company expects to generate initial sales income during the 2010 financial year from sales of its AutoStart® Burette. Various delays during the 2009 year prevented sales occurring prior to the balance date, however the positive response the Company has received from numerous hospital trials reaffirms the Boards expectation of securing initial sales in the near term. Whilst not expected to become cash flow positive prior to 30 June 2010, sales revenues generated will assist the company in meeting its ongoing working capital requirements.

However if forecast capital raisings, costs and revenues are not met the company may be unable to continue as a going concern. No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Accounting Policies

a) Principles of Consolidation

The consolidated group comprises the financial report of Analytica Limited and of its controlled entities.

A controlled entity is any entity controlled by Analytica Limited. Control exists where Analytica Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Analytica Limited to achieve the objectives of Analytica Limited. Details of the controlled entities are contained in Note 11.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Where a controlled entity has entered or left the consolidated group during the year, its operating results have been included/excluded from the date control was obtained or until the date control ceased.

b) 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 three months or less, and bank overdrafts.

c) Financial Instruments

<u>Recognition and Initial Measurement</u>

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 (i.e. trade date accounting is adopted).

<u>Classification and Subsequent Measurement</u>

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:

a. the amount at which the financial asset or financial liability is measured at initial recognition;
b. less principal repayments;
c. 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
d. 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.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

i. Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

ii. Loans and receivables

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

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

v. Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Derivative Instruments and Embedded Derivative Instruments

The consolidated group has no derivative instruments designated as hedges at balance date.

i. Embedded Derivatives held

Equity conversion features embedded within convertible debt instruments that qualify as embedded derivatives are recognised separately from the host contract as a derivative financial instrument and valued at fair value at each reporting date.

ii. Embedded Derivatives issued

Convertible note instruments issued by the company as outlined in Note 14 totalling $350,000 (2008: $350,000) contain an option for the note holders to convert the notes into ordinary shares of the company.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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, reference to similar instruments and option pricing models.

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 any impairment has arisen. For loans and receivables, impairment losses are recognised as the difference between the asset's carrying value and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For other financial assets, where observable data is limited or unavailable, the directors use professional judgement, including the need for external expertise, to determine any impairment losses. Impairment losses are recognised in the income statement.

Financial Guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity 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 expired. 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.

d) Impairment of Assets

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

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

e) Plant and Equipment

Each class of plant and equipment is carried at cost less depreciation and impairment losses.

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

Depreciation is provided on a straight-line basis on all plant and equipment. The major depreciation periods are:

Computer Equipment:	2-3 years
Furniture & Fittings	5 years

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

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

f) Intangible Assets

<u>Goodwill</u>

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

<u>Patents and trademarks</u>

Amounts incurred in acquitting and extending patents are expensed as incurred, except to the extent that such costs are expected beyond any reasonable doubt to be recoverable.

g) Provisions

Provisions are recognised when the Company 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.

h) Revenue Recognition

Revenue from the sale of goods is recognised when goods are delivered to customers.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of services.

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

i) Research and Development Expenditure

Research and Development costs are charged against income as incurred, except where future benefits are expected beyond any reasonable doubt to equal or exceed those costs and any future costs necessary to give rise to the future benefits. In such instances, research and development costs are capitalised and amortised over the period in which the related benefits are expected to be realised.

j) Income Taxes

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except when it relates to items that may be credited directly to equity in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilized.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

k) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and Payables in the balance sheet are shown inclusive of GST.

Cash flows are included 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.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

l) Government Grants

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

m) Foreign Currency Transactions and Balances

Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date.

The gains and losses arising from conversion of short-term assets and liabilities, whether realised or unrealised, are included in the operating profit/loss for the year.

n) Employee Benefits

Provision is made for the consolidated group's liability for employee benefits arising from services rendered by employees to the balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on costs. 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.

Equity-based compensation

The company operates a number of share-based compensation plans. These include both a share option arrangement and an employee share scheme. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares on the options granted. Information on equity based compensation is disclosed in Note 15.

o) Comparative Figures

Where required by Accounting Standards, comparative information has been adjusted to conform with changes in presentation for the current year

		CONSOLIDATED GROUP		PARENT ENTITY	
		2009 $	2008 $	2009 $	2008 $
2	REVENUE AND EXPENSES				
a)	Revenue				
	R & D Tax Concession	159,394	78,550	159,394	78,550
	Royalty income	32,000	35,496	32,000	35,496
	Interest from third parties	56,223	50,848	56,223	50,848
		247,617	164,894	247,617	164,894
b)	Depreciation & amortisation				
	Depreciation of non current assets				
	- Plant and equipment at cost	9,642	10,926	9,642	10,062
		9,642	10,926	9,642	10,062
c)	Other expenses				
	- Legal fees	20,843	11,534	20,843	11,534
	- Travel	49,972	23,670	49,972	23,670
	- Other	25,523	7,903	28,173	11,903
		96,338	43,107	98,988	47,107
3	INCOME TAX				
a)	The components on income tax expense comprise:				
	Current Tax	-	-	-	-
	Deferred tax	-	-	-	-
		-	-	-	-
b)	The prima facie tax on profit/(loss) from ordinary activities is reconciled to the income tax benefit as follows:				
	Prima facie tax payable on loss from ordinary activities before income tax at 30% (2008: 30%)	(570,534)	(248,837)	(570,168)	(248,446)
	Add tax effect of:				
	Share-based payments expensed during year	200,992	5,333	200,992	5,333
	Other non-allowable items	150,194	111,100	150,194	111,100

	CONSOLIDATED GROUP		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
3 INCOME TAX (cont'd)				
Future benefits not recognised	363,230	220,291	363,230	219,900
Less tax effect of:				
Movement in provisions	5,437	(1,476)	5,437	(1,476)
Other non-assessable items	(57,418)	(34,214)	(57,418)	(34,214)
Other deductible items	(91,901)	(52,197)	(92,267)	(52,197)
Income tax attributable to entity	-	-	-	-
The applicable weighted average effective tax rates are as follows:	0%	0%	0%	0%

The weighted average effective consolidated tax rate for 2009 is consistent with 2008.

	Cents per share	
	Consolidated Group	Consolidated Group
4 EARNINGS/(LOSS) PER SHARE	2009	2008
Basic/Diluted loss per share	($0.006)	($0.003)
Income and share data used in the calculations of basic and diluted earnings per share:		
Net Loss	(1,901,780)	(829,457)
Weighted average number of ordinary shares on issue in the calculation of basic earnings per share	311,592,240	248,218,902
Effect of dilutive securities:		
- Share options	-	-
- Convertible Notes	-	-
Adjusted weighted average number of Ordinary shares and potential ordinary shares used in calculating diluted earnings per share (i)	311,592,240	248,218,902

(i) As at the balance date, there are 48,525,000 share options on issue and 23,333,333 potential shares which may be issued upon conversion of outstanding Convertible Notes, giving a total potential shares which may be issued of 71,858,333. These potential ordinary shares have not been taken into account when calculating the diluted loss per share due to their anti-dilutive nature.

		CONSOLIDATED GROUP		PARENT ENTITY	
		2009 $	2008 $	2009 $	2008 $
5	CASH AND CASH EQUIVALENTS				
a)	Reconciliation to Cash Flow Statement				
	Cash at Bank	545,269	947,113	544,472	944,518
	Cash balance at end of year	545,269	947,113	544,472	944,518
b)	Reconciliation of cash flow used in operations with loss after income tax				
	Loss after income tax	1,901,780	829,457	1,900,560	828,153
	Non-Cash Items:				
	Depreciation	(9,642)	(10,926)	(9,642)	(10,062)
	Share options expensed	(669,972)	(17,776)	(669,972)	(17,776)
	Share-based payment	-	(25,000)	-	(25,000)
	Finance costs	(5,157)	(9,595)	(5,157)	(9,595)
		1,217,009	766,160	1,215,789	765,720
	Changes in assets and liabilities				
	Increase/(decrease) in				
	Trade & other receivables	(11,516)	105,777	(11,416)	105,921
	Decrease/(increase) in				
	Payables	(26,464)	(35,695)	(27,142)	(35,236)
	Accrued expenses	(1,624)	(1,493)	(1,624)	(1,493)
	Cashflow used in operations	1,177,405	834,749	1,175,607	834,912

c) Financing Facilities: At 30 June 2009 the parent entity and its controlled entities had no credit standby arrangements or unused loan facilities.

	CONSOLIDATED GROUP		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
6 TRADE AND OTHER RECEIVABLES				
a) Current				
Prepayments	61,667	1,174	61,667	1,174
GST Receivable	5,210	942	5,175	806
Sundry debtors	41,490	39,217	41,490	39,217
Loan receivable (i)	30,000	30,000	30,000	30,000
R & D Tax Concession Receivable	-	78,550	-	78,550
	138,367	149,883	138,332	149,747
b) Non-current				
Loan receivable (i)	-	30,000	-	30,000
	-	30,000	-	30,000

(i) The sale agreement of the diagnostic division provided for a payment to the company of $30,000 per annum for 5 years. The first annual payment was received by the company in the year ending 30 June 2006. The final $30,000 payment is due to be received by the company by 30 June 2010.

	CONSOLIDATED GROUP		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
7 OTHER CURRENT ASSETS				
Loan to subsidiaries	-	-	135,804	133,154
Loan to joint venture	-	-	788	989
Provision for non-recovery	-	-	(135,804)	(133,154)
	-	-	788	989
8 PROPERTY, PLANT AND EQUIPMENT				
Plant & Equipment - at cost	47,300	37,156	46,436	36,292
Less Accumulated Depreciation	(33,187)	(23,545)	(32,323)	(22,681)
	14,113	13,611	14,113	13,611

		CONSOLIDATED GROUP		PARENT ENTITY	
		2009 $	2008 $	2009 $	2008 $
8	PROPERTY, PLANT AND EQUIPMENT (cont'd)				
	Movements in carrying value				
	Balance 1 July	13,611	16,344	13,611	15,480
	Additions	10,144	8,193	10,144	8,193
	Disposals	-	-	-	-
	Depreciation expense	(9,642)	(10,926)	(9,642)	(10,062)
	Balance 30 June	14,113	13,611	14,113	13,611
9	INTANGIBLE ASSETS				
	Goodwill: at cost	202,485	202,485	202,485	202,485
	Accumulated impaired losses	(202,485)	(202,485)	(202,485)	(202,485)
	Net carrying value	-	-	-	-
	Intellectual Property: at cost	2,052,708	2,052,708	102,708	102,708
	Accumulated Amortisation	(2,052,708)	(2,052,708)	(102,708)	(102,708)
	Net total carrying value	-	-	-	-
10	FINANCIAL ASSETS				
a)	Convertible notes acquired (i)				
	Present value of debt instrument (ii)	453,829	-	453,829	-
	Implied option value (ii)	46,171	-	46,171	-
		500,000	-	500,000	-

(i) During the period, the Company acquired five $100,000 Convertible Notes in the unlisted entity CBio Limited. The Notes pay interest of 8% per annum and may be converted into two ordinary shares for each $1 of Note converted prior to 31 December 2010. For each share acquired upon conversion of the Notes, one free option will be issued with an exercise price of $1 and an expiry date of 31 December 2012.

(ii) Under AASB 139, the option to convert the Notes into ordinary shares in CBio Limited qualifies as an embedded derivative within the Note. The present value of the debt instrument and the implied value of the option to convert the debt into equity (an equity instrument) must each be measured and reported separately on initial recognition at fair value.

10 FINANCIAL ASSETS (cont'd)

(iii) The Board has reviewed the carrying value of the convertible note investment in CBio Limited (CBio). Although CBio has reported negative net assets since 2007, the Board has formed the view that there is no impairment of the investment for the following circumstances:

- On 28 August 2009, CBio announced the issue of a capital raising (up to a maximum of $25 million) by Information Memorandum to sophisticated and professional investors. CBio has secured a minimum of $6million in funds by way of underwrite by Novus Capital Limited and has flagged its intention to seek the listing of the company on the Australian Securities Exchange (ASX) in late 2009.
- If CBio successfully lists on the ASX, this should provide it with more than adequate funding to repay the convertible notes at book value or provide Analytica with the opportunity to convert the notes to ordinary shares which can be realized on the ASX at market value.

The Board expects CBio to successfully list on the ASX as outlined above and based on this assumption it has determined that the convertible notes acquired should be carried at their original cost of $500,000.

	CONSOLIDATED GROUP		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
b) Investments carried at cost:				
Investments in subsidiaries	-	-	4,110,000	4,110,000
provision for diminution in value (i) (ii)	-	-	(4,110,000)	(4,110,000)
	-	-	-	-

(i) Brewer Retractable Technologies Pty Limited- A provision for diminution in the value of the investment ($3,900,000) has been made at the same rate as the intellectual property held by the entity is amortised. Brewer Retractable Technologies Pty Ltd was voluntarily deregistered subsequent to the balance date.

(ii) Recovery Clinic Pty Limited- A provision for diminution in value ($210,000) has been made at the cost of the investment. Recovery Clinic Pty Ltd was voluntarily deregistered subsequent to the balance date.

11 CONTROLLED ENTITIES	Country of Incorporation	% Owned	Book Value of Investment	Amounts Owing to Parent 2009	Amounts Owing to Parent 2008
Graesser Pty Limited	Australia	100%	-	-	-
YL Brands Pty Limited	Australia	95%	-	129,154	129,154
Brewer Retractable Technologies Pty Limited	Australia	100%	-	-	-
Recovery Clinic Pty Limited	Australia	100%	-	6,650	4,901
			-	135,804	134,055

12 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The company has a 45% interest in Golden Top Trading Limited, a joint venture company in Hong Kong with Zhejiang Lingyang Medical Apparatus Company of Linhai, China and J & J Stamina company of Taiwan.

Lingyang will manufacture Analytica's AutoStart® Burette and Automatic Retractable Syringe, while the joint venture company will distribute Analytica's AutoStart® Burette and retractable needle and syringe technologies as well as Lingyang's existing range of medical devices throughout Australia and the South Pacific.

The company accounts for its share in the assets, liabilities, profits and losses of the joint venture company using the equity method of accounting. As at the balance sheet date, Golden Top Trading Limited had not commenced trading and had total assets of $788 (2008: $989) and total liabilities of $788 (2008: $989) (a loan from the Parent Entity).

	CONSOLIDATED GROUP		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
13 TRADE AND OTHER PAYABLES				
Trade Creditors	60,285	56,851	60,285	56,372
Accrued Expenses	103,216	75,028	103,216	75,029
	163,501	131,879	163,501	131,401
14 FINANCIAL LIABILITIES				
Convertible Notes issued (i)	350,000	350,000	350,000	350,000
	350,000	350,000	350,000	350,000

(i) During the 2008 year, the company raised $350,000 through the issue of seven Convertible Notes. The notes have a face value of $50,000 each, are interest-bearing at the rate of 8.5% p/a and can be converted into 3,333,333 ordinary shares per Note. The Notes mature 27 February 2010.

15 SHARE-BASED PAYMENTS

a) Remuneration Options

The following share-based payment remuneration arrangements existed at 30 June 2009:

On 26 November 2008, 33,000,000 options were granted under the Analytica Limited Employee Share Option Plan to take up ordinary shares at an exercise price of $0.05 each. The options vest immediately and must be exercised before 30 June 2012.

On 20 June 2008, 1,000,000 options were granted under the Analytica Limited Employee Share Option Plan to take up ordinary shares at an exercise price of $0.025 each. The options vest in two tranches, 500,000 on 24 January 2009 and 500,000 on 24 January 2010 and must be exercised before 24 January 2013.

15 SHARE-BASED PAYMENTS (cont'd)

On 27 June 2007, 4,500,000 options were granted under the Analytica Limited Employee Share Option Plan to take up ordinary shares at an exercise price of $0.025 each. The options vest in two tranches, 2,250,000 on 29 March 2008 and 2,250,000 on 29 March 2009 and must be exercised before 29 March 2012.

On 23 February 2005, 7,000,000 options were granted under the Analytica Limited Employee Share Option Plan to take up ordinary shares at an exercise price of $0.08 each. The options are fully vested and must be exercised before 9 March 2010.

On 23 February 2005, 3,000,000 options were granted under the Analytica Limited Employee Share Option Plan to take up ordinary shares at an exercise price of $0.20 each. The options are fully vested and must be exercised before 9 March 2010.

On 17 December 2001 25,000 options were granted under the Analytica Limited Employee Share Option Plan to take up ordinary shares at an exercise price of $25.00 each. The options are fully vested and had an expiry date of 31 July 2009. These options expired subsequent to the balance date.

All options granted to under the Analytica Limited Employee Share Option Plan are for ordinary shares in Analytica Limited, which confer a right of one ordinary share for every option held. The options hold no voting or dividends rights and are not transferable. All options exercised are required to be settled for cash.

The total expense relating to share based payment transaction was $669,972 (2008: $42,776).

For details of options issued to key management personnel, refer to Note 20- Key Management Personnel.

b) Options on Issue

	CONSOLIDATED GROUP				PARENT ENTITY			
	2009		2008		2009		2008	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding 1 July	91,528,161	$0.040	14,585,000	$0.200	91,528,161	$0.040	14,585,000	$0.200
Remuneration Options Granted	33,000,000	$0.050	1,000,000	$0.025	33,000,000	$0.050	1,000,000	$0.025
Other Options Granted	-	-	77,557,871	$0.020	-	-	77,557,871	$0.020
Exercised	(62,785,220)	$0.020	(1,579,710)	$0.020	(62,785,220)	$0.020	(1,579,710)	$0.020
Expired	(13,217,941)	$0.058	(35,000)	$15.000	(13,217,941)	$0.058	(35,000)	$15.000
Outstanding 30 June	48,525,000	$0.074	91,528,161	$0.04	48,525,000	$0.074	91,528,161	$0.04

If all unlisted options are exercised in accordance with their terms of issue, 48,525,000 shares would be issued (2008 – 91,528,161) and Contributed Equity would increase by $3.6m (2008 - $3.9m). As at 30 June 2009, 48,025,000 options were exercisable (2008: 88,278,161).

There were 62,785,220 options exercised during the year ended 30 June 2009. The options had an exercise price of $0.02 each.

15 SHARE-BASED PAYMENTS (cont'd)

The options outstanding at 30 June 2009 had a weighted average exercise price of $0.074 and a weighted average remaining contractual life of 2.52 years. Exercise prices range from $0.025 to $25.00 in respect of options outstanding at 30 June 2009.

The weighted average fair value of the options granted during the year was $0.02

The price was calculated by using a Black Scholes option pricing model applying the following inputs:

Weighted average exercise price	$0.05
Weighted average life of the option	3.5 years
Underlying share price	$0.05
Expected share price volatility	50%
Risk free interest rate	3.21%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements, which may not eventuate.

The life of the options is based on the period between the grant and expiry dates.

	PARENT ENTITY		PARENT ENTITY	
	2009	2008	2009	2008
16 ISSUED CAPITAL	Number	Number	$	$
Ordinary Shares (a)	341,558,792	278,773,572	79,609,178	78,353,473
Unlisted Options (b)	48,525,000	91,528,161	-	-
a) Ordinary Shares				
Balance at beginning of year	278,773,572	196,941,254	78,353,473	77,208,491
Shares issued during the year:				
- Rights Issue	-	77,557,871	-	1,163,369
- Issued to Director	-	1,666,667	-	25,000
- Exercise of unlisted Options (i)	62,785,220	1,579,710	1,255,705	31,594
Cost of Share Issues	-	1,028,070		(74,981)
Balance at end of year	341,558,792	278,773,572	79,609,178	78,353,473

(i) The exercise of 62,785,220 $0.02 share options issued as part of the Rights Issue conducted in 2007.

Ordinary Shares: Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

16 ISSUED CAPITAL (cont'd)

b) Unlisted Options

For information relating to the Analytica Limited employee share option plan, including details of options issued, expired and exercised during the financial year and the options outstanding at year-end, refer to Note 15- Share Based Payments.

c) Capital Management

The Board controls the capital of the company 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 company's debt and capital includes ordinary share capital and convertible notes and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

The Board effectively manages the company's capital by assessing the company'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 the Board to control the capital of the company since the prior year. Due to the level of cash held by the Company at year end, it is positively geared as disclosed in the following table:

	CONSOLIDATED GROUP		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
Total borrowings	350,000	350,000	350,000	350,000
Trade and other payables	163,501	131,879	163,501	131,401
Less cash and cash equivalents	(545,269)	(947,113)	(544,472)	(947,518)
Net debt/(cash)	(31,768)	(465,234)	(30,971)	(466,117)
Total equity	681,132	657,235	681,088	655,971

17 RESERVES

Options reserve	2,630,508	1,960,536	2,630,508	1,960,536
	2,630,508	1,960,536	2,630,508	1,960,536

Options reserve

The Options reserve records items recognised as an expense on payment of share-based consideration.

18 SEGMENT REPORTING

In the year ended 30 June 2009, the Company operated in Australia and develops and commercializes intellectual property with application in the medical device & pharmaceutical industries.

Primary Reporting

Business Segment	Medical Devices		Pharmaceuticals		Corporate		Total	
	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $
Revenue								
External sales	-	-	-	-		-		-
Other revenue	-	-	-	-	247,617	164,894	247,617	164,894
Total Revenue	-	-	-	-	247,617	164,894	247,617	164,894
Segment Result	(456,856)	(254,346)	(51,598)	(131,607)	(1,393,326)	(443,504)	(1,901,780)	(829,457)
Assets	-	-		-	1,197,749	1,140,607	1,197,749	1,140,607
Liabilities	-	-		-	516,617	483,372	516,617	483,372
Other								
Assets acquired	-	-	-	-	10,144	8,193	10,144	8,193
Depreciation	-	-	-	-	9,642	10,826	9,642	10,926
Impairment loss	-	-	-	-	-	-	-	-
Research and development	456,856	254,346	51,598	131,607	-	-	508,454	385,953

Secondary Reporting

Geographic Segments	Sales		Segment Assets		Assets acquired	
	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $
Australia	-	-	1,197,749	1,140,607	10,144	8,193
International	-	-	-	-	-	-
	-	-	1,197,749	1,140,607	10,144	8,193

19 FINANCIAL RISK MANAGEMENT

a) Financial Risk Management Policies

The group's financial assets consist mainly of cash deposits with banks, accounts receivable and investments in convertible notes. Financial liabilities consist of accounts payable and convertible notes issued by the group. The main purpose of financial instruments is to raise finance and manage capital requirements for group operations.

The board of directors meets on a regular basis to analyse financial risk exposure and to evaluate financial management strategies in the context of the most recent economic conditions and forecasts. The board's overall risk strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

19 FINANCIAL RISK MANAGEMENT (cont'd)

The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk. An outline of these risks and related risk management policies are summarised below.

Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The group is predominantly exposed to cash flow interest rate risk as no financial assets or liabilities are measured at fair value subsequent to initial recognition.

Cash flow interest rate risk in respect of financial liabilities is managed by the use of fixed rate debt. 100% of the group's debt was fixed rate debt as at the 30 June 2009 and 30 June 2008 reporting dates and also during the 2009 financial year. The debt comprises seven convertible notes, which pay a fixed interest rate of 8.5% per year.

Cash and cash equivalents are held in floating rate, at call deposits.

Liquidity Risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash resources will be available as and when required to fund expenditure commitments as well as ensuring capital raising initiatives are conducted in a timely manner as required. Details of the contractual cash flows for financial liabilities are disclosed in Note 19(d).

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial report. There are no trading terms in relation to sundry receivables. No collateral is held as security over any financial assets.

The consolidated group has material credit risk exposure to a single counterparty, CBio Limited, arising from its investment in convertible notes in that company. The directors are of the opinion that the investment in CBio convertible notes remains of sufficient credit quality and there is no impairment in respect of the notes at 30 June 2009.

There are no past due financial assets at 30 June 2009. The parent company has carried forward impairment losses in relation to non-recovery loans to controlled entities as outlined in Note 7 and investments in controlled entities as outlined in Note 10(b) from previous financial years.

Net Fair Values

The net fair values of financial assets and financial liabilities approximate their carrying value. No financial assets and financial liabilities of the group are readily traded on organised markets.

Embedded derivatives relating to convertible notes are valued using discounted cash flow models based on interest rates existing at reporting date for similar types of convertible instruments. Loans and receivables due and receivable beyond twelve months are carried at their present value which approximates net fair value. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the financial report.

19 FINANCIAL RISK MANAGEMENT (cont'd)

b) Classification and Categorisation of Financial Instruments

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	CONSOLIDATED GROUP		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
Financial Assets				
Cash and cash equivalents	545,269	947,113	544,472	944,518
Loans and receivables				
– Other receivables	76,700	178,709	77,453	179,562
– Convertible Notes (Note 10)	453,829	-	453,829	-
Financial assets at fair values through profit and loss				
– Embedded derivative (Note 10)	46,171	-	46,171	-
Total Financial Assets	1,121,969	1,125,822	1,121,925	1,124,080
Financial Liabilities				
Financial liabilities at amortised cost				
– Accounts payable	60,285	56,851	60,285	56,372
– Convertible Notes	350,000	350,000	350,000	350,000
Total Financial Liabilities	410,285	406,851	410,285	406,372

c) Interest Rate Risk

The following table sets out the weighted average effective interest rate applicable to each financial asset and financial liability and the earlier of their contractual maturities or repricing date as at the reporting date:

Consolidated Entity

	Weighted Average Effective Interest Rate		Maturing within 1 Year		Maturing 1 to 5 Years		Total Carrying Amount	
	2009 $	2008 $	2009 $	2008 $	2009 %	2008 %	2009 $	2008 $
Financial Assets								
Cash	2.8%	7.4%	545,269	947,113	-	-	545,269	947,113
Other receivables		-	76,700	148,709	-	30,000	76,700	178,709
Convertible notes	8.0%	-	-	-	453,829	-	453,829	-

19 FINANCIAL RISK MANAGEMENT (cont'd)

	Weighted Average Effective Interest Rate		Maturing within 1 Year		Maturing 1 to 5 Years		Total Carrying Amount	
	2009	2008	2009	2008	2009	2008	2009	2008
	$	$	$	$	%	%	$	$
Derivatives	-	-	-	-	46,171	-	46,171	-
Total Financial Assets	-	-	621,969	1,095,822	500,000	30,000	1,121,969	1,125,822
Financial Liabilities								
Payables	-	-	60,285	56,851	-	-	60,285	56,851
Convertible Notes	8.5%	-	350,000	-	-	350,000	350,000	350,000
Total Financial Liabilities	-	-	410,285	56,851	-	350,000	410,285	406,851

Parent Entity

	Weighted Average Effective Interest Rate		Maturing within 1 Year		Maturing 1 to 5 Years		Total Carrying Amount	
	2009	2008	2009	2008	2009	2008	2009	2008
	$	$	$	$	%	%	$	$
Financial Assets								
Cash	2.8%	7.4%	544,472	944,518	-	-	544,472	944,518
Other receivables		-	77,453	179,562	-	-	77,453	179,562
Convertible notes	8.0%	-	-	-	453,829	-	453,829	-
Derivatives	-	-	-	-	46,171		46,171	
Total Financial Assets	-	-	621,925	1,124,080	500,000	-	1,121,925	1,124,080
Financial Liabilities								
Payables	-	-	60,285	56,372	-	-	60,285	56,372
Convertible Notes	8.5%	-	350,000	-	-	350,000	350,000	350,000
Total Financial Liabilities			410,285	56,372	-	350,000	410,285	406,372

19 FINANCIAL RISK MANAGEMENT (cont'd)

Sensitivity Analysis – Interest Rate Risk

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

	CONSOLIDATED GROUP		PARENT ENTITY	
	2009	2008	2009	2008
	$	$	$	$
Change in profit				
- Increase in interest rate by 2%	18,698	15,429	18,698	15,429
- Decrease in interest rate by 2%	(18,698)	(13,659)	(18,698)	(13,659)
Change in equity				
- Increase in interest rate by 2%	18,698	15,429	18,698	15,429
- Decrease in interest rate by 2%	(18,698)	(13,659)	(18,698)	(13,659)

d) Maturity Analysis of Financial Liabilities

The following table sets out the maturity analysis of financial liabilities based on undiscounted contractual cash flows:

Consolidated Entity

	Within 1 Year		1 to 5 Years		Later than 5 Years		Total Contractual Cash Flows	
	2009	2008	2009	2008	2009	2008	2009	2008
	$	$	$	$	%	%	$	$
Financial Liability								
Accounts Payable	60,285	56,851	-	-	-	-	60,285	56,851
Convertible Notes	369,833	29,750	-	369,833	-	-	369,833	399,583
Total	430,118	86,601	-	369,833	-	-	430,118	456,434

Parent Entity

	Within 1 Year		1 to 5 Years		Later than 5 Years		Total Contractual Cash Flows	
	2009	2008	2009	2008	2009	2008	2009	2008
	$	$	$	$	%	%	$	$
Financial Liability								
Accounts Payable	60,285	56,372	-	-	-	-	60,285	56,372
Convertible Notes	369,833	29,750	-	369,833	-	-	369,833	399,583
Total	430,118	86,122	-	369,833	-	-	430,118	455,955

20 INTERESTS OF KEY MANAGEMENT PERSONNEL (KMP)

Refer to the Remuneration Report contained in the Report of the Directors for details of the remuneration paid or payable to each member of the Groups key management personnel for the year ended 30 June 2009.

KMP Shareholdings

2009	Balance 1 July	(Disposed)	Acquired/ Issued	Balance 30 June
Dr Michael Monsour	10,065,665	-	3,354,890	13,420,555
Mr. David Gooch	950,000	-	225,000	1,175,000
Mr. Jim Heckathorn	2,400,000	(1,300,000)	500,000	1,600,000
Mr. R Mangelsdorf (i)	3,271,701	-	1,336,666	4,608,367
Mr. Geoff Daly	-	-	-	-
Total	16,687,366	(1,300,000)	5,416,556	20,803,922
2008				
Dr Michael Monsour	6,016,038	-	4,049,627	10,065,665
Mr. David Gooch	725,000	-	225,000	950,000
Mr. Jim Heckathorn	1,900,000	(1,666,667)	2,166,667	2,400,000
Mr. Geoff Daly	-	-	-	-
	8,641,038	(1,666,667)	6,441,294	13,415,665

KMP Options Holdings

2009	Balance 1 July	(Exercised) (ii)	Issued as Compensation (iii)	Balance 30 June
Dr Michael Monsour	3,354,890	(3,354,890)	10,000,000	10,000,000
Mr. David Gooch	225,000	(225,000)	10,000,000	10,000,000
Mr. Jim Heckathorn	1,500,000	(500,000)	10,000,000	11,000,000
Mr. Ross Mangelsdorf (i)	1,336,666	(1,336,666)	3,000,000	3,000,000
Mr. Geoff Daly	4,500,000	-	-	4,500,000
Total	10,916,556	(5,416,556)	33,000,000	38,500,000

(i) Appointed a director on 7 October 2008

(ii) The number of shares issued upon exercise of these options was 5,416,556 and the amount paid per share was $0.02. The amount unpaid per share was nil.

(iii) Approved by Shareholders at the Annual General Meeting held on 28 November 2008.

20 INTERESTS OF KEY MANAGEMENT PERSONNEL (KMP) (cont'd)

	Balance 1 July	(Exercised)	Issued as Compensation	Balance 30 June
2008				
Dr Michael Monsour	-	-	3,354,890	3,354,890
Mr. David Gooch	-	-	225,000	225,000
Mr. Jim Heckathorn	1,000,000	-	500,000	1,500,000
Mr. Geoff Daly	4,500,000	-	-	4,500,000
Total	5,500,000	-	4,079,890	9,579,890

Number of Options held by Key Management Personnel

	Balance 30 June 2009	Total Vested 30 June 2009	Total Vested and Exercisable 30 June 2009	Total Vested and Unexercisable 30 June 2009
Dr Michael Monsour	10,000,000	10,000,000	10,000,000	-
Mr. David Gooch	10,000,000	10,000,000	10,000,000	-
Mr. Jim Heckathorn	11,000,000	11,000,000	11,000,000	-
Mr. Ross Mangelsdorf	3,000,000	3,000,000	3,000,000	-
Mr. Geoff Daly	4,500,000	4,500,000	4,500,000	-
Total	38,500,000	38,500,000	38,500,000	-

21 RELATED PARTY TRANSACTIONS

Transactions with directors 2009

Directors receive a fixed director's fee. These payments are detailed in the Remuneration Report which forms part of the Directors' Report. If any director performs additional services for the consolidated group they are paid a fee based on normal commercial terms.

During the period, consulting fees associated with product development and manufacturing of $28,800 were paid Toplan Pty Ltd, an entity associated with Dr Michael Monsour (2008: nil). The transactions with related parties were on normal terms and conditions no more favorable than those available to other parties.

During the period, MP Monsour Medical Practice Pty Ltd, an entity associated with Dr Michael Monsour, exercised 3,354,890 options which were issued as part of the Right's Issue conducted in 2007.

During the period, Mr David Gooch, exercised 225,000 options which were issued as part of the Right's Issue conducted in 2007.

During the period, Mr Jim Heckathorn, exercised 500,000 options which were issued as part of the Right's Issue conducted in 2007.

21 RELATED PARTY TRANSACTIONS (cont'd)

During the period, Tambien Pty Ltd, an entity associated with Mr Ross Mangelsdorf, exercised 1,336,666 options which were issued as part of the Right's Issue conducted in 2007.

All options exercised by directors and their related entities during the period had an exercise price of $0.02 and expired on 31 December 2008.

There are no amounts receivable from or payable to directors or their related entities as at 30 June 2009 (2008: nil).

Details of amounts receivable by the Parent entity Analytica from its subsidiaries are disclosed in Note 11.

During the year the Company and Consolidated Group acquired five $100,000 Convertible Notes in CBio Limited. Dr Michael Monsour is a Non-executive director of CBio Limited and Dr Monsour, Mr. Heckathorn, Mr. Gooch and Mr. Mangelsdorf all held shares in CBio Limited at the time the investment was made. Dr Monsour did not participate in the decision to invest in CBio Limited due to his position as a Non-executive director with the company. As Analytica exercises neither significant influence nor control over CBio, the Board do not consider this transaction to be a Related Party transaction, however this disclosure is made in the spirit of good governance. This is consistent with the announcement to the ASX on 9 April 2009. Further details on the investment in CBio Limited can be found in Note 10- Financial Assets.

Transactions with directors 2008

During the year, the Company repaid in full a loan to MPAMM Pty Limited, a company associated with Dr Michael Monsour. The total repaid, including accumulated interest, was $106,992

MPAMM Pty Ltd acted as Sub-underwriter to the Rights Issue offered by Analytica during the year. MPAMM Pty Ltd subscribed for 3,354,890 shares at $0.015 as Sub-underwriter. A commission of 3.3% of the underwritten amount of $400,000 was payable to MPAMM Pty Ltd as sub-underwriter. In lieu of the payment in cash of $13,200 in commission, MPAMM were issued 694,737 shares at nil consideration at an effective share price of $0.019.

MPAMM Pty Ltd also acquired 3,354,890 options under the Rights Issue offered by the company. The options were issued for nil consideration on the basis of one free option for each new share subscribed for all shareholders who participated in the rights issue. On instruction from MPAMM Pty Ltd, the shares and options acquired in the Rights Issue were issued to MP Monsour Medical Practice Pty Ltd, a company associated with Dr Michael Monsour.

22 EVENTS AFTER THE BALANCE SHEET DATE

In July the Company received confirmation from ASIC that its applications for the voluntary deregistration of Brewer Retractable Technologies Pty Ltd, Graesser Pty Ltd and Recovery Clinic Pty Ltd, all dormant subsidiary companies, have been accepted. The Company was advised in September that the deregistration has been formally completed. The Company is progressing with the deregistration of another dormant entity, YL Brands Pty Ltd, a Company 95% owned by Analytica. It is expected that this entity will be deregistered by 31 December 2009.

22 EVENTS AFTER THE BALANCE SHEET DATE

In July the Company announced a Share Purchase Plan (SPP), enabling all eligible shareholders to each purchase up to $15,000 worth of Analytica shares at 2.2 cents per share without incurring any brokerage costs. The offer closed on 19 August 2009. A total of $879,245 was raised in the SPP, representing 39,965,790 new shares which have been issued.

Mr Jim Heckathorn, a Non-Executive director since 2004, passed away in July after a brief illness. Mr Heckathorn was instrumental in the development of the AutoStart® Burette, working closely with Analytica staff in overcoming many design and manufacturing challenges, and bringing it to the point of commercialisation. He has been heavily involved in all aspects of the business since his appointment, including the establishment of a Joint Venture company and the Company's Naltrexone project. His contribution to the Board over the past few years has been substantial and he will be greatly missed by his fellow directors and Analytica staff.

The financial report is authorised for issue by the Board of Directors on the date that the Directors Declaration was signed.

Other than the matter outlined above, there have not been any other matters or circumstances that have arisen since the end of the year, that have significantly affected, or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the company in financial years after the 2009 financial year.

23 CAPITAL COMMITMENTS

As at the balance date, the Company has unfinalised contracts for the manufacture of Naltrexone implant pellets for use in planned clinical trials. The estimated remaining contracted costs to complete the manufacture of the Naltrexone implants is approximately $144,000.

The ability of the company to finalise these contracts will depend largely on the availability of government assistance. Subsequent to the balance date, the Company has submitted an application for funding under with the National Health & Medical Research Council. The grant application has been made in conjunction with the University of Sydney. Should the required funding be in place, it is expected these contracts will be finalised by 30 June 2010.

24 CORPORATE STRUCTURE

Analytica Limited is a company limited by shares that is incorporated and domiciled in Australia. Analytica Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year.

The registered office and principal place of business is:

Analytica Limited
85 Brandl St
Eight Mile Plains, Qld, 4113

	CONSOLIDATED GROUP		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
25 AUDITORS REMUNERATION				
The auditor of Analytica Limited is Bentleys				
Amounts received or due and receivable by Bentleys for:				
• An audit or review of the financial report of the entity and any other entity in the consolidated group	34,000	22,493	34,000	22,493
• Audit of Royalty paid to Company	1,900	1,800	1,900	1,800
• Review of Prospectus	-	3,500	-	3,500
• Tax compliance	6,990	8,470	6,990	8,470
	42,890	36,263	42,890	36,263

26 NEW ACCOUNTING STANDARDS FOR FUTURE PERIODS

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

- AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1,2,4,5,7,101,107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136] (applicable for annual reporting periods commencing from 1 January 2009). These standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application. In this regard, its impact on the Group will be unable to be determined. The following changes to accounting requirements are included:
  - acquisition costs incurred in a business combination will no longer be recognised in goodwill but will be expensed unless the cost relates to issuing debt or equity securities;
  - contingent consideration will be measured at fair value at the acquisition date and may only be provisionally accounted for during a period of 12 months after acquisition;
  - a gain or loss of control will require the previous ownership interests to be remeasured to their fair value;
  - there shall be no gain or loss from transactions affecting a parent's ownership interest of a subsidiary with all transactions required to be accounted for through equity (this will not represent a change to the Group's policy);
  - dividends declared out of pre-acquisition profits will not be deducted from the cost of an investment but will be recognised as income;

26 NEW ACCOUNTING STANDARDS FOR FUTURE PERIODS (cont'd)

— impairment of investments in subsidiaries, joint ventures and associates shall be considered when a dividend is paid by the respective investee; and

— where there is, in substance, no change to Group interests, parent entities inserted above existing groups shall measure the cost of its investments at the carrying amount of its share of the equity items shown in the balance sheet of the original parent at the date of reorganisation.

- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's Board for the purposes of decision making.
- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Group. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.
- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the Group as a policy of capitalising qualifying borrowing costs has been maintained by the Group.
- AASB 2008-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.
- AASB 2008-2: Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation [AASB 7, AASB 101, AASB 132 & AASB 139 & Interpretation 2] (applicable for annual reporting periods commencing from 1 January 2009). These amendments introduce an exception to the definition of a financial liability to classify as equity instruments certain puttable financial instruments and certain other financial instruments that impose an obligation to deliver a pro-rata share of net assets only upon liquidation.
- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.
- AASB 2008-8: Amendments to Australian Accounting Standards – Eligible Hedged Items [AASB 139] (applicable for annual reporting periods commencing from 1 July 2009). This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations and is not expected to materially affect the Group.
- AASB 2008-13: Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110] (applicable for annual reporting periods commencing from 1 July 2009). This amendment requires that non-current assets held for distribution to owners to be measured at the lower of carrying value and fair value less costs to distribute.

26 NEW ACCOUNTING STANDARDS FOR FUTURE PERIODS (cont'd)

- AASB Interpretation 15: Agreements for the Construction of Real Estate (applicable for annual reporting periods commencing from 1 January 2009). Under the interpretation, agreements for the construction of real estate shall be accounted for in accordance with AASB 111 where the agreement meets the definition of 'construction contract' per AASB 111 and when the significant risks and rewards of ownership of the work in progress transfer to the buyer continuously as construction progresses. Management does not believe that this will have any impact on the Group
- AASB Interpretation 16: Hedges of a Net Investment in a Foreign Operation (applicable for annual reporting periods commencing from 1 October 2008). Interpretation 16 applies to entities that hedge foreign currency risk arising from net investments in foreign operations and that want to adopt hedge accounting. The interpretation provides clarifying guidance on several issues in accounting for the hedge of a net investment in a foreign operation and is not expected to impact the Group.
- AASB Interpretation 17: Distributions of Non-cash Assets to Owners (applicable for annual reporting periods commencing from 1 July 2009). This guidance applies prospectively only and clarifies that non-cash dividends payable should be measured at the fair value of the net assets to be distributed where the difference between the fair value and carrying value of the assets is recognised in profit or loss.

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

Directors' Declaration
For the year ended 30 June 2009

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 17 to 50, are in accordance with the Corporations Act 2001, and:

    a) comply with Accounting Standards and *Corporations Regulations 2001*; and

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

2. The Chairman has declared that;

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

    b) the financial statements and notes for the financial year comply with the accounting standards; and

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

3. Subject to the reference to Going Concern in Note 1, 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.

michael Monsour

Dr Michael Monsour
Chairman

Dated 15 September 2009

Independent Audit Report to the Members of Analytica Limited
For the year ended 30 June 2009

Report on the Financial Report

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

Directors' Responsibility for the Financial Report

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

Auditors' Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Analytica Limited on 9 September 2009, would be in the same terms if provided to the directors as at the date of this auditors' report.

Independent Audit Report to the Members of Analytica Limited
For the year ended 30 June 2009

Auditor's Opinion

In our opinion:

a. the financial report of Analytica Limited and controlled entities is in accordance with the *Corporations Act 2001*, including:
   i. giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date: and
   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001: and

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

Material Uncertainties Regarding Continuation as a Going Concern and Investment in CBio Limited

Without qualification to the opinion expressed above, attention is drawn to the following matters:

As a result of matters described in Note 1 "Going Concern", there is significant uncertainty whether Analytica Limited will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should Analytica Limited not continue as a going concern.

We also draw attention to Note 10 (iii) of the financial report. The company holds an investment of $500,000 at 30 June 2009 in CBio Limited in the form of convertible notes. Realisation of this investment at book value is largely dependent on CBio Limited raising new capital and successfully listing on the Australian Securities Exchange late in the 2009 calendar year.

In the circumstances, there is significant uncertainty as to whether these securities will be realised at the book value recorded in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 11 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Analytica Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

Bentleys

Bentleys
Brisbane Partnership
Chartered Accountants

Martin Power

P M Power
Partner

15 September 2009
Brisbane

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 14 September 2009.

a) Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

	Listed ordinary shares	
	Number of shares	% of ordinary shares
Ignatius Lip Pty Ltd <Ignatius Lip P/L S/Fund A/C>	13,873,291	3.64
Mr Peter Marcus Barr & Mrs Kay Ellen Barr <Regnal Super Fund A/c>	10,086,000	2.64
MP Monsour Medical Practice Pty Ltd <Superannuation Fund A/C>	7,691,790	2.02
MPAMM Pty Ltd	5,400,972	1.42
Kembla No 21 Pty Ltd <Soppitt Retirement Plan A/C>	5,031,357	1.32
W Brooks Investments Pty Ltd <B & P Super Fund A/C>	5,006,819	1.31
Mrs Anne Monsour	4,938,648	1.29
Jayem Pty Ltd	4,181,819	1.10
Mr John Graham Fleming & Mrs Susan Fleming <JG & S Fleming Fam SF A/C>	4,038,006	1.06
Mrs Marguerite Mary Gallagher <M Gallagher Family A/C>	4,000,000	1.05
Mr Victor Pereira	3,681,823	0.97
Cradling Pty Ltd <Cradling S/F A/C>	3,654,315	0.96
Mr Gary Laurence Irving & Mrs Helen Judith Irving <The GL & HJ Irving S/F A/C>	3,041,780	0.80
Mr Brian Anthony Gallagher & Mrs Marguerite Mary Gallagher <Superannuation Fund A/C>	3,000,037	0.79
Tambien Pty Ltd <Mangelsdorf Super Fund A/C>	2,975,117	0.78
Mr Robert Anthony Hook & Mrs Frances Leisa Hutchinson	2,919,819	0.77
Neatford Pty Ltd <CQD Super Fund A/C>	2,808,946	0.74
Mr Glen David Pryce	2,681,819	0.70
Mr Rodney Glen Baker & Mrs Margaret Anne Baker <RG & MA Baker S/F A/C>	2,641,429	0.69
Haagsma Investments Pty Ltd	2,537,798	0.67
Total	94,191,585	24.69

b) Distribution of equity securities

The number of shareholders, by size of holding, in each class of equity securities are:

	Ordinary Shares		Share Options	
	Number of holders	Number of shares	Number of holders	Number of options
1 - 1,000	804	403,130	-	-
1,001 - 5,000	257	695,950	-	-
5,001 - 10,000	151	1,315,318	-	-
10,001 - 100,000	727	32,087,614	-	-
100,001 and over	569	347,022,570	11	48,500,000
Total	2,508	381,524,582	11	48,500,000

The number of shareholders holding less than a marketable parcel of shares is 1,433 and they hold 6,262,501 ordinary shares.

c) Voting Rights

All ordinary shares carry one vote per share without restriction.

d) Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

e) Voluntary Escrow

There are no Analytica securities under voluntary escrow.

f) Share Buy-Backs

There is no current or planned buy-back of the Company's shares.