

ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
A.C.N. 106 213 772

Financial Report
For the year ended
30 June 2009

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ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY DIRECTOR'S REPORT

The directors present their report together with the financial report of the consolidated entity consisting of ATF Group (PDF) Limited ("ATF") and the entity it controlled for the financial year ended 30 June 2009 and auditors report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

Directors Names

The names of the directors in office at any time during or since the end of the financial year are:

Professor Raymond Schinazi appointed 3 August 2007

Jon Lamb appointed 7 November 2007

J. A. (Tony) Wigginton appointed 28 May 2007, resigned 3 August 2007, reappointed 7 September 2007

Bernie Romanin appointed 30 May 2008

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

Results and review of Operations

The loss of the consolidated group for the year after providing for income tax amounted to \$1,829,960 (2008: \$2,949,536).

The company issued 11,900,000 ordinary shares to raise \$2,268,273 (net of transaction costs).

Evivar Medical Pty Ltd ("Evivar")

ATF's principal investment is Evivar Medical Pty Ltd, a joint venture with Melbourne Health, established in February 2006. At present, ATF owns 45% of Evivar. During the 2009 financial year ATF converted loans and service fees owing in the amount of \$2,000,000 to share equity under the terms of the original ATF Shareholder Agreement with Melbourne Health.

Evivar provides accurate and timely therapy management for Hepatitis B (HBV) patients through its SeqHepB programme - a web-based, secure, on-line decision support tool to assist physicians to optimise and individualise the treatment schedule of patients with Chronic Hepatitis B (CHB) and to select the right drug (or combination of drugs) at the right time. The SeqHepB system can be used to identify HBV mutations present in the patient and to determine drug resistance levels to the various available medications and guide the physician's choice of therapy. The Company believes this is a major breakthrough in the global fight against HBV and will lead to an improved quality of life for HBV sufferers by providing a rationale for physicians to select the right treatment to combat or prevent the development of resistant HBV. The ultimate result is an increase in the health and longevity of life for patients and a reduction in overall HBV treatment costs.

The Market for Chronic Hepatitis B treatment

CHBV infection is caused by the HBV and occurs worldwide. The World Health Organisation (WHO) estimates that almost 400 million people worldwide are chronically infected with HBV. Those with CHBV are at risk of cirrhosis (30%) and liver cancer (5%-10%). Up to one million people die annually from chronic HBV infection and its complications. About 70 million new cases per year are reported worldwide. Approximately 10% of these will develop chronic HBV, which means that, annually, 7 million people with chronic HBV will be added to the existing pool of chronic sufferers.

Like many infectious diseases, HBV mutates in response to drug treatments. The emergence of these mutations, without the appropriate therapy management, leads to treatment failure resulting in the progression of liver disease, a rapidly diminishing quality of life and ultimately, in many cases, mortality.

Sources of Revenue

Evivar operates on an ubiquitous licensing model that targets three key service providers in the management of HBV infected patients – Global Diagnostics Companies (develop and market the blood analysis instruments), Clinical Laboratories (analyse the patient's blood) and the Pharmaceutical Companies (provide the therapeutic drugs). In addition, Evivar has concluded a strategic partnership and licensing agreement with Advanced

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Biological Laboratories (ABL) which has an Infectious Diseases (including HIV) Patient Management/Electronic Medical Records (EMR) system that integrates the HBV data in its management report. This strategic partnership is a major milestone for the Company. It is expected to accelerate additional licensing arrangements and be the platform to enter new markets through strategic initiatives e.g. China where there is 170 million with CHB. These joint initiatives will further drive revenues for the Company.

Evivar's approach provides broad market access and allows flexibility for the different dynamics in each region that Evivar is seeking to enter. In FY 2009 Evivar has made significant progress in securing licensing agreements and is now in negotiation with all of the relevant global parties.

Commercial Licensing Agreements

- Evivar has continued to successfully implement its business strategy. The Company currently has commercial licensing agreements in ten centres across six countries (USA, Germany, Italy, Spain, Australia and Hong Kong) which are generating revenues. In the United States, Evivar has licence agreements with Laboratory Corporation of America Holdings (LabCorp), one of the world's largest clinical laboratories and with Abbott Molecular Inc., one of the four leading global diagnostics companies.
- Intellectual Property - The Intellectual Property portfolio has ten patent families. The portfolio includes a number of granted patents in the USA, Australia, Singapore, South Africa and China and an extensive number of applications in other countries through Europe and Asia. The patents cover the multitude of viral mutations that occur within the HBV genome and describes how these HBV mutations impact the efficacy of the treatment i.e. drug sensitivity or drug resistance. Access to this Intellectual Property is offered by Evivar through license and other similar agreements. The Company continued to ensure the intellectual property of Evivar is protected to the maximum extent practicable and has provided the funds required to progress the patent portfolio development and registration. These registrations underpin Evivar's commercialisation strategy and the enhanced commercial value that is becoming increasingly evident in the SeqHepB IP platform.

Hunter Immunology Pty Ltd (HI)

ATF currently have an investment of \$145,330 in HI, a company which is involved in vaccine development. In addition to the ongoing development of vaccines from its existing base, HI has positioned itself to identify and select further immunological products with a view to their commercial development for the pharmaceutical industry.

Significant Changes in State of Affairs

There were no significant changes in the parent entity's and consolidated entity's state of affairs that occurred during the financial year, other than those referred to elsewhere in this financial report.

Principal Activities

The consolidated group is a pro-active investor in Australian personalised health care and therapy management technologies, with a view to facilitating their international development.

No significant change in the nature of these activities occurred during the year.

After Balance Date Events

During the year a confidential agreement was reached with Sean Magee and Jennifer Page that called for the company to buy-back 10,000,000 shares at 12 cents each and a further 8,281,892 for consideration of a total of \$2. This was approved by shareholders at a General Meeting held on 16 September 2009. As a consequence of this agreement, all parties ceased their various legal actions against each other.

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DIRECTOR'S REPORT**

Evivar Medical Pty Ltd has concluded a licensing and strategic partnering agreement with Advanced Biological Laboratories (ABL) which has an Infectious Diseases (including HIV) Patient Management/Electronic Medical Records (EMR) system that integrates the HBV data in its management report. The agreement includes a cross-licensing agreement between the two companies. The negotiations have focused on global strategic initiatives that will assist Evivar to build its therapy management platform in not only its present area of focus, Hepatitis B, but also in other blood borne diseases, such as Hepatitis C.

Evivar and ABL issued a joint global press release regarding their licensing agreement and strategic partnership which can be viewed on the Company's website at www.atfgroup.com.au

Likely Developments

The group will continue to pursue its operating strategy to create shareholder value. In the opinion of the directors, disclosure of any further information would be likely to result in unreasonable prejudice to the group.

Environmental Issues

The group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends Paid, Recommended, and Declared

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Information on Directors and Company Secretary

The qualifications, experience and special responsibilities of each person who has been a director at any time during or since the end of the financial year is provided below, together with details of the company secretary as at the year end.

Directors and Company Secretary

Special Responsibilities

Professor Raymond F. Schinazi

Chairman and Non
Executive Director

Experience and Qualifications

Dr Schinazi has extensive senior management experience in biotech startups, virology, drug discovery and is the founder of several biotechnology companies focusing on antiviral drug discovery and development, including Pharmasset Inc (NASDAQ: VRUS), Triangle Pharmaceuticals (purchased by Gilead in 2001 for US\$482 MM), Idenix Pharmaceuticals NASDAQ: IDIX), and RFS Pharma LLC. He has published over 420 peer reviewed papers and seven books and holds more than 80 US patents.

He is a pioneer in the development of HIV drugs for the treatment of HIV with more than 94% of individuals on treatment taking at least one of the drugs he invented. Dr Schinazi is the recipient of numerous awards including the 2006 Distinguished Scientist Award from the Hepatitis B Foundation and a Honorary Doctor of Science from Bath University, UK. He has also served on the Presidential Commission on AIDS. He is currently the Frances Winship Walters Professor of Pediatrics and Chemistry and Director of the Laboratory of Biochemical Pharmacology at Emory University and the Veterans Affairs Medical Center, Atlanta, Georgia in the United States.

**ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
DIRECTOR'S REPORT**

Directors and Company Secretary

Jon Lamb

***Special
Responsibilities***

Experience and Qualifications

Formerly Chief Executive Officer with Beecham New Zealand, Jon joined Beecham's marketing division in brand management and new product development, working in South Africa, London, Australia and New Zealand. At age thirty, he was the youngest CEO in the Group and reluctantly left the company after his family decided to settle permanently in New Zealand.

Deputy Chairman &
Director

Mr. Lamb has held Directorships of both public and private companies with a focus in the bio-medical field. He has acted as adviser to both the Thai Government and the then newly elected Mandela Government in South Africa as Advisor to the Strategic Planning Council. Mr. Lamb brings a wealth of over thirty years international experience in the pharmaceutical and bio-medical arena ranging from private start up companies to multinational public corporations.

J. A. (Tony) Wigginton

Experience and Qualifications

Mr. Wigginton is a qualified accountant. He has over 26 years experience in the banking and stockbroking industry, both in Australia and overseas. He has held executive management positions with a number of major international banks in Australia, the United States and Asia. He is a director of an ASX listed company and several private companies.

Company Secretary
(also director from 28
May 2007 to 3 August
2007 and 7 September
2007 to present)

Bernie Romanin

Experience and Qualifications

Mr. Romanin has healthcare experience in Diagnostics, Pharmaceuticals and Medical Devices gained over 30 years in Australia and internationally. He has extensive commercial expertise in sales and marketing, technology licensing and partnership management. He has experience in managing start-up and new market business opportunities. During almost a decade in the USA with Chiron and Novartis, he has directed market development activities to identify, validate and commercialise new opportunities in molecular-based and immuno-based diagnostics in the areas of Infectious Diseases (Hepatitis and HIV/AIDS), Oncology, Cardiovascular Disease and Metabolic Disorders.

Non-Executive
Director - Appointed
30 May 2008

**ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
DIRECTOR'S REPORT**

Directors' Meetings

The number of meetings of the board of directors and of each board committee held during the financial year and the numbers of meetings attended by each director were:

Directors Meetings	
Eligible to attend	Attended
Professor Raymond Schinazi	7
Jon Lamb	7
J A (Tony) Wigginton	7
Bernie Romanin	7

Share Options

No options over unissued shares or interests in the consolidated entity were granted during or since the end of the financial year and there were no options outstanding at the end of the financial year.

Indemnification of Officer

No indemnities have been given or insurance premiums paid, during the financial year, for any person who is or has been an officer or auditor of the company.

The Company has Directors and Officers insurance.

Auditor's Independence Declaration

A copy of the auditor's declaration under Section 307C of the Corporations Act 2001 in relation to the audit for the financial year is provided with this report.

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.

Signed in accordance with a resolution of the Board of Directors:



Director

J A (Tony) Wigginton

Dated this 12th day of October 2009.

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of ATF Group (PDF) Limited

In relation to the independent audit for the year ended 30 June 2009, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*.
- (ii) No contraventions of any applicable code of professional conduct.



M W PRINGLE
Partner
Date 12 October 2009



PITCHER PARTNERS
Melbourne

ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
Revenue	3	14,699	157,558	14,699	157,558
Travelling expenses		(159,506)	(239,401)	(159,506)	(239,401)
Occupancy expenses		(108,991)	(90,030)	(108,991)	(90,030)
Consulting Fees		(349,484)	-	(349,484)	-
Administrative expenses		(343,054)	(670,484)	(309,801)	(574,374)
Director Fees		(300,000)	-	(300,000)	-
Legal fees		(334,676)	(419,166)	(334,676)	(419,166)
Management fees	4	-	(813,534)	-	(813,534)
Transaction costs in relation to aborted Initial Public Offering of subsidiary	4	-	(533,302)	-	(533,302)
Write-off of loans and investments	4	(243,558)	(341,177)	(243,558)	(341,177)
		(1,824,570)	(2,949,536)	(1,791,317)	(2,853,426)
Finance Costs		(5,390)	-	(5,390)	-
Loss before income tax expense		(1,829,960)	(2,949,536)	(1,796,707)	(2,853,426)
Income tax expense	5	-	-	-	-
Loss from operations		(1,829,960)	(2,949,536)	(1,796,707)	(2,853,426)

The accompanying notes form part of these financial statements.

ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
BALANCE SHEET
AS AT 30 JUNE 2009

	Notes	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	6	673,826	9,949	673,826	9,949
Other assets	7	5,000	245,000	5,000	245,000
TOTAL CURRENT ASSETS		<u>678,826</u>	<u>254,949</u>	<u>678,826</u>	<u>254,949</u>
NON-CURRENT ASSETS					
Other assets	7	27,492	1,744,165	156,853	1,840,275
Other financial assets	8	4,196,355	2,196,355	4,196,455	2,196,455
Property, plant and equipment	9	33,598	77,153	33,598	77,153
TOTAL NON-CURRENT ASSETS		<u>4,257,445</u>	<u>4,017,673</u>	<u>4,386,906</u>	<u>4,113,883</u>
TOTAL ASSETS		<u>4,936,271</u>	<u>4,272,622</u>	<u>5,065,732</u>	<u>4,368,832</u>
CURRENT LIABILITIES					
Trade and other payables	10	627,562	522,126	627,660	522,226
TOTAL CURRENT LIABILITIES		<u>627,562</u>	<u>522,126</u>	<u>627,660</u>	<u>522,226</u>
TOTAL LIABILITIES		<u>627,562</u>	<u>522,126</u>	<u>627,660</u>	<u>522,226</u>
NET ASSETS		<u>4,308,709</u>	<u>3,750,496</u>	<u>4,438,072</u>	<u>3,846,606</u>
EQUITY					
Share capital	11	12,060,185	9,671,912	12,060,185	9,671,912
Accumulated losses	12	(7,751,476)	(5,921,616)	(7,622,113)	(5,825,506)
TOTAL EQUITY		<u>4,308,709</u>	<u>3,750,496</u>	<u>4,438,072</u>	<u>3,846,606</u>

The accompanying notes form part of these financial statements.

ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
Total equity at the beginning of the financial year		3,750,396	3,976,310	3,846,506	3,976,310
Share based payments	11	120,000	-	120,000	-
Net income recognised directly in equity		120,000	-	120,000	-
Loss for the year		(1,829,960)	(2,949,536)	(1,796,707)	(2,853,426)
Total recognised income and expense for the year		(1,709,960)	(2,949,536)	(1,676,707)	(2,853,426)
<i>Transactions with equity holders in their capacity as equity holders:</i>					
Contributions of equity net of transaction costs	11	2,268,273	2,723,722	2,268,273	2,723,722
Total equity at the end of the financial year		4,308,709	3,750,496	4,438,072	3,846,606

The accompanying notes form part of these financial statements.

ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from customers		8,555	-	8,555	-
Payments to suppliers and employees		(1,278,460)	(2,530,778)	(1,245,210)	(2,434,568)
Interest received		7,985	29,932	7,985	29,932
Borrowing costs		(5,390)	-	(5,390)	-
Net cash used in operating activities	14	(1,267,310)	(2,500,846)	(1,234,060)	(2,404,636)
CASH FLOW FROM INVESTING ACTIVITIES					
Payment for property, plant and equipment		(21,603)	(16,386)	(21,603)	(16,386)
Loans to related parties		(555,483)	(1,256,250)	(588,733)	(1,352,360)
Proceeds from disposals of investments (net of amounts held in trust at year end)		240,000	210,000	240,000	210,000
Proceeds from the sale of property, plant and equipment		-	5,749	-	5,749
Payment for investments		-	-	-	(100)
Net cash used in investing activities		(337,086)	(1,056,887)	(370,336)	(1,153,097)
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from share issue net of costs		2,268,273	2,253,722	2,268,273	2,253,722
Net cash provided by financing activities		2,268,273	2,253,722	2,268,273	2,253,722
Net (decrease)/increase in cash held		663,877	(1,304,011)	663,877	(1,304,011)
Cash at beginning of financial year		9,949	1,313,960	9,949	1,313,960
Cash at end of financial year	6	673,826	9,949	673,826	9,949

ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report includes separate financial statements for ATF Group (PDF) Limited as an individual entity and the consolidated group consisting of ATF Group (PDF) Limited and its subsidiaries. ATF Group (PDF) Limited, the legal parent, is a company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

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

Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS's).

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

Reporting Basis and Conventions

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

(a) Principles of Consolidation

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

A list of controlled entities is contained in Note 19 to the financial statements. All controlled entities have a June financial year-end.

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

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

Business combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method. The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination.

**ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Revenue

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

Interest revenue is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

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

(c) Cash and Cash Equivalents

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

(d) Property, Plant and Equipment

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

Plant and equipment

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal.

Depreciation

The depreciable amount of all fixed assets are depreciated over their estimated useful lives to the company commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

<i>Class of fixed asset</i>	<i>Depreciation rates</i>	<i>Depreciation basis</i>
Leasehold improvements	7.5 to 17%	Straight Line/Diminishing Value
Office Equipment	10 to 20%	Diminishing Value
Furniture, fixtures & fittings	7.5 to 50%	Diminishing Value

Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

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

ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Income Tax

The Company (ATF Group (PDF) Limited) is a registered Pooled Development Fund (PDF). The PDF program was established by the Federal Government in 1993 to encourage investment in small and medium-sized Australian enterprises. The PDF Act is administered by the Venture Capital Committee (Committee).

Favourable tax treatment is available for both the Company, and its shareholders: There is no capital gains tax on the sale of shares held by a shareholder in a PDF. Shareholders may elect to treat dividends paid by the company as tax exempt or treat the franked amount of any such dividend as assessable income in order to receive the benefit of the attached franking credits. The Company pays a corporate tax rate of 15% on PDF investment income and 25% on other income.

To maintain its status as a PDF, the Company must comply with the regulations imposed by the Pooled Development Funds Act 1992. The Company has to conduct its investment activities in accordance with the following:

- It must invest 65% of its raised capital within five years of the raising;
- It may only invest in new shares in Australian companies;
- It must invest over \$500,000 in each investment or, if it invests a lesser sum, take a minimum 10% equity in the investee company;
- Investee companies must have less than A\$50 million in total assets;
- The funds invested by the Company must be used to establish an eligible business, to substantially expand production capacity or to substantially expand existing markets of an eligible business.

At the present time, in the case of the Company's investment in Evivar Medical Pty Ltd (Evivar), the Company does not currently comply with the requirement of section 25 of the PDF Act that requires the Company invest no more than 30% of its shareholders' funds in any one investee company. The Committee has advised the Company that it requires the Company address this issue and has requested the Company submit to the Committee by 19 October 2009 a plan that outlines how the Company intends to bring its investment in Evivar into line with the restriction imposed by section 25 of the PDF Act. The Company intends to comply with the request of the Committee and fully expects that it will be able to address the concerns of the Committee in a manner that will, moving forward, satisfy the Committee.

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

(f) Finance Costs

Finance costs can include interest, amortisation of discounts or premiums relating to borrowings, ancillary costs incurred in connection with arrangement of borrowings, foreign exchange losses net of hedged amounts on borrowings, including trade creditors and lease finance charges.

Finance costs are expensed as incurred.

(g) Impairment of Assets

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicates that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments

Classification

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as: financial assets at fair value through profit and loss account, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through profit and loss account

The company is a venture capitalist organisation, and designates its investments as being fair value through the profit and loss. The scope of AASB 128 Investments in Associates allows this treatment for venture capitalist organisations even though the company may have significant influence in an investee.

The investments in equity instruments do not have a quoted market price in an active market and are therefore measured at cost in accordance with AASB 139 because their fair value cannot be measured reliably.

As disclosed in Note 8, the reasons are set out for carrying these financial assets at cost rather than carrying the assets at fair value.

Loans and Receivables

Loan and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Financial Liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or other amounts due to director-related entities.

(i) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. The figures for the year ended 30 June 2008, represent those of the parent entity from 1 July 2007 and the subsidiary from the date of acquisition, being 31 January 2008.

(j) Critical Accounting Estimates and Assumptions

The consolidated group and the parent entity make certain estimates and assumptions concerning the future, which, by definition will seldom represent actual results. The estimates and assumptions that have a significant inherent risk in respect of estimates based on future events, which could have a material impact on the assets and liabilities in the next financial year, are discussed below:

Impairment

The consolidated group and the parent entity assess impairment at each reporting date by evaluating conditions specific to the entities that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Impairment has been recognised where these assets are not expected to be recoverable (Note 4(b)). In respect of the remaining assets no impairment has been recognised. This is mostly due from the company's invested in or other related parties, or investments in unlisted entities. The reasons as to why these assets are or are not considered impaired are set out in Notes 7 and 8 of the financial report.

**ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Issued or Amended Australian Accounting Standards

There are a number of issued or amended Australian accounting standards, which are not effective at balance date. These have not been adopted in the preparation of the financial statements and none are expected to significantly impact on the future results of the consolidated group and the parent entity.

NOTE 2: GOING CONCERN

The consolidated group and the parent entity have incurred substantial losses. In order for the consolidated group and the parent entity to continue trading they are reliant on the following types of funding:

- Raising funds from existing shareholders;
- Raising funds from new shareholders through Prospectus Offers; and
- Generating cash inflows from their trading operations or sale of their investments.

As such there is uncertainty as to whether the consolidated group and the parent entity will be able to continue as a going concern and therefore whether they will be able to realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
NOTE 3: REVENUE				
<i>Other revenue</i>				
- services revenue	4,167	50,000	4,167	50,000
- interest received	7,985	29,932	7,985	29,932
Total revenue	12,152	79,932	12,152	79,932
 <i>Other income</i>				
- gain on disposal of non-current investments	-	76,295	-	76,295
- miscellaneous income	2,547	1,331	2,547	1,331
Total other income	2,547	77,626	2,547	77,626
	14,699	157,558	14,699	157,558

ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
NOTE 4: LOSS BEFORE INCOME TAX					
Loss from operations before income tax has been determined after:					
(a) Expenses:					
Auditors remuneration					
- audit services or review of financial report		34,360	36,623	34,360	36,623
- non-audit services: due diligence		-	23,595	-	23,595
		<u>34,360</u>	<u>60,218</u>	<u>34,360</u>	<u>60,218</u>
Depreciation of non-current assets					
- plant and equipment		<u>12,561</u>	<u>22,886</u>	<u>12,561</u>	<u>22,886</u>
Rental expense on operating leases					
- minimum lease payments		<u>81,919</u>	<u>82,104</u>	<u>81,919</u>	<u>82,104</u>
(b) Significant items:					
The following significant revenue and expense items are relevant in explaining the financial performance:					
Impairment of irrecoverable investments		-	150,002	-	150,002
Impairment of irrecoverable loans		243,558	191,175	243,558	191,175
		<u>243,558</u>	<u>341,177</u>	<u>243,558</u>	<u>341,177</u>
The impairment relates to investments in and loans made to, two related companies, being Medcina Pty Limited and Medcina Group Pty Limited, which have been deemed as irrecoverable and therefore are impaired.					
Management fees	13(c)	<u>-</u>	<u>813,534</u>	<u>-</u>	<u>813,534</u>
Transaction costs in relation to aborted Initial Prospectus Offering of subsidiary		<u>-</u>	<u>533,302</u>	<u>-</u>	<u>533,302</u>

ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
NOTE 5: INCOME TAX EXPENSE				
Income tax expense attributable to loss	-	-	-	-
The group and company's taxable income was \$Nil as at balance date as both had incurred significant tax losses.				
Future income tax benefits not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in the accounting policies note occur.				
Timing differences	98,394	4,785	98,394	4,785
Tax Losses	1,791,645	1,516,312	1,781,669	1,487,479
	<u>1,890,039</u>	<u>1,521,097</u>	<u>1,880,063</u>	<u>1,492,264</u>

NOTE 6: CASH AND CASH EQUIVALENTS

CURRENT

Cash at bank	673,826	9,949	673,826	9,949
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NOTE 7: OTHER ASSETS

CURRENT

Amounts held in Trust	5,000	245,000	5,000	245,000
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NON CURRENT

Sundry debtors	4,512	5,936	4,512	5,936
Deposits for operating leases	-	27,073	-	27,073
Loans to related parties (a)	22,980	1,711,156	152,341	1,807,266
	<u>27,492</u>	<u>1,744,165</u>	<u>156,853</u>	<u>1,840,275</u>

(a) All loans are non interest bearing and have no set repayment dates.

Impairment

Evivar Medical Pty Limited is continuing with its development and has recently secured various licensing agreements from which it is generating revenues.

Global Therapy Management Limited is a non-trading public company.

ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
NOTE 8: OTHER FINANCIAL ASSETS				
NON CURRENT				
Shares in unlisted companies – at cost	4,196,355	2,196,255	4,196,355	2,196,255
Shares in subsidiaries – at cost	-	-	100	100
	<u>4,196,355</u>	<u>2,196,255</u>	<u>4,196,455</u>	<u>2,196,355</u>
<i>Represented by:</i>				
Evivar Medical Pty Ltd	4,051,025	2,051,025	4,051,025	2,051,025
Hunter Immunology Pty Ltd	145,330	145,230	145,330	145,230
Global Therapy Management Limited	-	-	100	100
	<u>4,196,355</u>	<u>2,196,255</u>	<u>4,196,455</u>	<u>2,196,355</u>

The consolidated group and the parent entity assess impairment at each reporting date by evaluating conditions specific to the investment that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Evivar Medical Pty Limited is continuing with its development and has recently secured various licensing agreements from which it is generating revenues.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

NON CURRENT

Leasehold improvements

At cost	-	65,200	-	65,200
Less accumulated depreciation	-	(22,751)	-	(22,751)
	<u>-</u>	<u>42,449</u>	<u>-</u>	<u>42,449</u>

Furniture, fixtures and fittings

At cost	25,266	54,951	25,266	54,951
Less accumulated depreciation	(12,020)	(20,247)	(12,020)	(20,247)
	<u>13,246</u>	<u>34,704</u>	<u>13,246</u>	<u>34,704</u>

Office Equipment

At cost	21,603	-	21,603	-
Less accumulated depreciation	(1,251)	-	(1,251)	-
	<u>20,352</u>	<u>-</u>	<u>20,352</u>	<u>-</u>

Total property, plant and equipment	<u>33,598</u>	<u>77,153</u>	<u>33,598</u>	<u>77,153</u>
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ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

2009	Leasehold improvements	Furniture, fixtures & fittings	Office Equipment	Total
Consolidated Entity and Parent Entity	\$	\$	\$	\$
<i>Original cost</i>				
Opening balance	65,200	54,951	-	120,151
Additions	-	-	21,603	21,603
Disposals	(65,200)	(29,685)		(94,885)
Closing balance	-	25,266	21,603	46,869
<i>Accumulated depreciation</i>				
Opening balance	22,751	20,247	-	42,998
Depreciation expense	5,288	6,022	1,251	12,561
Disposals	(28,039)	(14,249)	-	(42,288)
Closing balance	-	12,020	1,251	13,271
Carrying amount at end of year	-	13,246	20,352	33,598

2008	Leasehold improvements	Furniture, fixtures & fittings	Office Equipment	Total
Consolidated Entity and Parent Entity	\$	\$	\$	\$
<i>Original cost</i>				
Opening balance	65,200	50,213	-	115,413
Additions	-	16,386	-	16,386
Disposals	-	(11,648)		(11,648)
Closing balance	65,200	54,951	-	120,151
<i>Accumulated depreciation</i>				
Opening balance	12,152	11,536	-	23,688
Depreciation expense	10,599	12,287	-	22,886
Disposals	-	(3,576)	-	(3,576)
Closing balance	22,751	20,247	-	42,998
Carrying amount at end of year	42,449	34,704	-	77,153

ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 10: TRADE AND OTHER PAYABLES	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
CURRENT				
<i>Unsecured liabilities</i>				
Trade creditors	180,612	383,959	180,612	383,959
Sundry creditors and accruals	326,960	18,177	327,058	18,277
<i>Secured</i>				
Loan from directors	119,990	119,990	119,990	119,990
	<u>627,562</u>	<u>522,126</u>	<u>627,660</u>	<u>522,226</u>

The loan from directors relates to a loan from Dr Raymond Schinazi. The loan is repayable 120 days from 17 April 2008, or as subsequently negotiated. Interest is as at the 180 day bank bill rate as at 17 April 2008. The loan is secured by a charge over the remaining shares the parent entity holds in Hunter Immunology Ltd.

Trade creditors are generally paid in line with the terms and conditions agreed with the individual suppliers or as and when funding permits.

	Notes	2009	2008
		\$	\$
NOTE 11: SHARE CAPITAL			
Issued and paid up capital			
96,545,925: (2008: 84,045,925) ordinary shares	(a)	<u>12,060,185</u>	<u>9,671,912</u>
		<u>12,060,185</u>	<u>9,671,912</u>
(a) Movements in shares on issue			
At the beginning of the year		9,671,912	6,948,190
Shares issued during the year			
- 11,900,000 ordinary shares at 20 cents per share		2,380,000	2,834,510
Share based payments		120,000	-
Transaction costs incurred in issuing shares		<u>(111,727)</u>	<u>(110,788)</u>
At reporting date		<u>12,060,185</u>	<u>9,671,912</u>
		Number	Number
At the beginning of year		84,045,925	69,871,375
Shares issued by exercising of options		-	6,680,400
Issue of ordinary shares		11,900,000	7,494,150
Share based payments		600,000	-
At reporting date		<u>96,545,925</u>	<u>84,045,925</u>

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.

**ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 11: SHARE CAPITAL (continued)

Options

There are no options on issue at 30 June 2009.

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
NOTE 12: ACCUMULATED LOSSES				
Balance at the beginning of the year	(5,921,516)	(2,971,980)	(5,825,406)	(2,971,980)
Net loss attributable to members of the parent entity	(1,829,960)	(2,949,536)	(1,796,707)	(2,853,426)
Balance at the end of the year	<u>(7,751,476)</u>	<u>(5,921,516)</u>	<u>(7,622,113)</u>	<u>(5,825,406)</u>

NOTE 13: RELATED PARTY TRANSACTIONS

Directors and Executives Compensation

(a) Details of Key Management Personnel

(i) Directors

Dr. Raymond Schinazi	Chairman - Non Executive Director – Appointed 3 August 2007
Jon Lamb	Deputy Chairman - Executive – Appointed 7 November 2007
J.A. (Tony) Wigginton	Director – Executive - Appointed 28 May 2007, resigned 3 August 2007, reappointed 7 September 2007
Bernie Romanin	Director – Non Executive - Appointed 30 May 2008

Directors Equity Holdings	Balance 1/07/08	Allotted during the year	Balance 30/06/09
	Number	Number	Number
Dr Raymond Schinazi	1,875,000	-	1,875,000
J.A. (Tony) Wigginton	425,000	-	425,000

(b) Number of shares held at the balance date by Key Management Personnel or Associated Entities:

There are no key management personnel other than directors.

(c) Related party transactions and balances

Evivar Medical Pty Limited

ATF Group (PDF) Limited owns 45% of the share capital of this company. The investment totals \$4,051,025 (see Note 8). At 30 June 2009, Jon Lamb and Tony Wigginton are directors of both ATF Group (PDF) Limited and Evivar Medical Pty Limited.

**ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 13: RELATED PARTY TRANSACTIONS (continued)

Directors and Executives Compensation (continued)

(c) Related party transactions and balances (continued)

During the year the following related party transactions occurred:

- The initial investment by ATF Group (PDF) Ltd into Evivar Medical Pty Ltd was a total of \$ 2 million, which is defined in the Shareholder Agreement signed in February 2006. During the 2009 financial year ATF converted loans and service fees owing in the amount of \$2,000,000 to share equity under the terms of the original ATF Shareholder Agreement with Melbourne Health.

Global Therapy Management Limited (formerly Therapy Management International Limited)

ATF Group (PDF) Limited own 100% of the share capital of this company. At 30 June 2009, Jon Lamb, Tony Wigginton and Raymond Schinazi are directors of both ATF Group (PDF) Limited and Global Therapy Management Limited.

During the year the following related party transactions occurred:

- Expenses were paid on behalf of Global Therapy Management Limited by ATF Group (PDF) Limited. The loan balance in respect of these recharges totalled \$129,360 at 30 June 2009 (2008: \$96,110). The loan is to enable the subsidiary to commence its operations and initiate capital raising. The loan is interest free and has no set repayment date.

Other

- Jim McLauchlan a former director of ATF Group (PDF) Limited has been employed as a consultant. In the period from 1 July 2008 to 30 June 2009 consultancy fees totalling \$198,000 were incurred;
- An amount of \$102,500 was charged to the company in respect of brokerage fees by Falconer Bellomo, in connection with the raising of share capital. The amount charged was on an arms length basis. Tony Wigginton, a director of ATF Group (PDF) Limited is an authorised representative of Falconer Bellomo. The balance due to Falconer Bellomo at balance date is \$Nil (2008: \$5,522);
- A loan remains outstanding to Dr Raymond Schinazi, a director of ATF Group (PDF) Limited totalling \$119,990. This was the balance at 30 June 2008 and the maximum balance throughout the year. The loan is repayable 120 days from 17 April 2008, or as subsequently negotiated. Interest is as at the 180 day bank bill rate as of 17 April 2008;
- For the financial year ended 30 June 2008, no fees were paid to the executive Directors. Subsequent to the end of that financial year, in recognition of the services provided by the non-executive Directors, ATF has agreed to pay fees to the executive Directors for that year totalling \$150,000. For the current financial year ending 30 June 2009, it is expected that fees not exceeding \$150,000 will be paid to the executive Directors.

ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
NOTE 14: CASH FLOW INFORMATION				
(a) Reconciliation of cash flow from operations with loss from ordinary activities after income tax				
Loss from ordinary activities after income tax	(1,829,960)	(2,949,536)	(1,796,707)	(2,853,426)
<i>Non-cash flows in loss from ordinary activities:</i>				
Depreciation	12,561	22,886	12,561	22,886
Impairment of investments		150,002		150,002
Impairment of related party loans	243,558	191,175	243,558	191,175
Loss on disposal of property, plant and equipment	52,598	2,323	52,598	2,323
Profit on disposal of investments	-	(76,295)	-	(76,295)
Non cash share based payments	120,000	-	120,000	-
Write off rental deposit	27,073	-	27,073	-
<i>Changes in assets and liabilities:</i>				
(Increase)/decrease in other assets	1,424	(1,325)	1,424	(1,325)
Increase/(decrease) in trade and other payables	105,436	159,924	105,433	160,024
Cash flows from operations	<u>(1, 267,310)</u>	<u>(2,500,846)</u>	<u>(1,234,060)</u>	<u>(2,404,636)</u>

NOTE 15: CAPITAL AND LEASING COMMITMENTS

Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable

- not later than one year	-	35,000	-	35,000
- later than one year and not later than five years	-	-	-	-
	<u>-</u>	<u>35,000</u>	<u>-</u>	<u>35,000</u>

General description of leasing arrangement:

The lease relates to a property agreement which expired in February 2009.

ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 16: FINANCIAL INSTRUMENTS

Interest rate risk

The consolidated group's and parent entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities are as follows:

Consolidated Group

	Weighted Average Effective Interest Rate	Non-Interest Rate Bearing	Floating Interest Rate	Fixed 1 year or less	Total
2009	%	\$	\$	\$	\$
Financial assets					
Cash at bank	1.19	-	473,826	200,000	673,826
Trade and other receivables	-	9,512	-	-	9,512
Receivables – other related parties	-	22,980	-	-	22,980
Other financial assets	-	4,196,355	-	-	4,196,355
Total financial assets		4,228,847	473,826	200,000	4,902,673
Financial liabilities					
Trade Creditors	-	180,612	-	-	180,612
Other Payables	-	326,960	-	-	326,960
Payable – other related parties	-	-	-	119,990	119,990
Total financial liabilities		507,572	-	119,990	627,562
2008					
Financial assets					
Cash at bank	-	9,949	-	-	9,949
Trade and other receivables	-	278,009	-	-	278,009
Receivables – other related parties	-	1,711,156	-	-	1,711,156
Other financial assets	-	2,196,255	-	-	2,196,255
Total financial assets		4,195,369	-	-	4,195,369
Financial liabilities					
Trade Creditors	-	383,959	-	-	383,959
Other Payables	-	18,177	-	-	18,177
Payable – other related parties	8.00	-	-	119,990	119,990
Total financial liabilities		402,136	-	119,990	522,126

ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 16: FINANCIAL INSTRUMENTS (continued)

Parent Entity

	Weighted Average Effective Interest Rate	Non-Interest Rate Bearing	Floating Interest Rate	Fixed 1 year or less	Total
2009	%	\$		\$	\$
Financial assets					
Cash at bank	1.19	-	473,826	200,000	673,826
Trade and other receivables	-	9,512	-	-	9,512
Receivables – other related parties	-	152,341	-	-	152,341
Other financial assets	-	4,196,455	-	-	4,196,455
Total financial assets		4,358,308	473,826	200,000	5,032,134
Financial liabilities					
Trade and other payables	-	180,612	-	-	180,612
Other payables	-	327,058	-	-	327,058
Payable – other related parties	-	-	-	119,990	119,990
Total financial liabilities		507,670	-	119,990	627,660
2008					
Financial assets					
Cash at bank	-	9,949	-	-	9,949
Trade and other receivables	-	278,009	-	-	278,009
Receivables – other related parties	-	1,807,266	-	-	1,807,266
Other financial assets	-	2,196,355	-	-	2,196,355
Total financial assets		4,291,579	-	-	4,291,579
Financial liabilities					
Trade and other payables		383,959	-	-	383,959
Other payables		18,277	-	-	18,277
Payable – other related parties		-	-	119,990	119,990
Total financial liabilities	8.00	402,236	-	119,990	522,226

The consolidated group and parent entity's financial instruments consist mainly of deposits with banks, loans to related entities, investments and trade payables. All interest bearing assets and liabilities are due within one year.

Financial risk

The consolidated group and parent entity monitor their financial risk informally on a day to day basis and then formally at monthly Board meetings, where the financial position of the group is discussed in detail.

Liquidity risk.

The consolidated entity and parent entity manage liquidity risk by monitoring forecast cash flows and ensuring that adequate cash is available through the raising of equity.

ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 16: FINANCIAL INSTRUMENTS (continued)

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 impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The consolidated group's and parent entity's exposure is as set out in Notes 7 and 8 of the financial statements. As stated in Notes 7 and 8, there is an inherent uncertainty associated with the carrying value of these assets at 30 June 2009.

NOTE 17: AFTER BALANCE DATE EVENTS

During the year a confidential agreement was reached with Sean Magee and Jennifer Page which called for the company to buy-back 10,000,000 shares at 12 cents each and a further 8,281,892 for consideration of a total of \$2. This was approved by shareholders at a General Meeting held on 16 September 2009. As a consequence of this agreement, all parties ceased their various legal actions against each other.

Evivar Medical Pty Ltd has concluded a licensing and strategic partnering agreement with Advanced Biological Laboratories (ABL) which has an Infectious Diseases (including HIV) Patient Management/Electronic Medical Records (EMR) system that integrates the HBV data in its management report. The agreement includes a cross-licensing agreement between the two companies. The negotiations have focused on global strategic initiatives that will assist Evivar to build its therapy management platform in not only its present area of focus, Hepatitis B, but also in other blood borne diseases, such as Hepatitis C.

Evivar and ABL issued a joint global press release regarding their licensing agreement and strategic partnership which can be viewed on the Company's website at www.atfgroup.com.au

NOTE 18: SEGMENT INFORMATION

The company has the following business segments and geographical segments:

(a) Business segments

The company is a pro-active investor in personalised health care and therapy management technologies In Australia with a view to facilitate their international commercial development.

(b) Geographical segments

The company operates predominantly within Australia.

**ATF GROUP (PDF) LIMITED AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 19: CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of the following legal subsidiaries of ATF Group (PDF) Limited in accordance with the accounting policy described in Note 1(a):

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2009	2008
			%	%
Global Therapy Management Limited (formerly Therapy Management International Limited)	Australia	Ordinary	100	100

On 31st January 2008, Global Therapy Management Limited was incorporated. 100 ordinary shares at \$1 each were issued to ATF Group (PDF) Limited, representing the entire share capital of this company.

NOTE 20: COMMITMENTS AND CONTINGENCIES

The company would like to propose at the next AGM, that an ex-gratia payment be offered to its Executive Director in recognition of consulting services provided over the last 2 years, for which no remuneration was ever paid.

The ex-gratia payment will be in the form of a share issue as follows:

- Jon Lamb 2,500,000 shares @ 20cents totalling \$500,000

NOTE 21: COMPANY DETAILS

The registered office and principal place of business of the company is:

Suite 501
100 Victoria Parade
East Melbourne VIC 3002

ATF GROUP (PDF) LIMITED AND ITS CONTROLLED ENTITY

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, comprising the Directors' Declaration, Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements, are in accordance with the *Corporations Act 2001*:
 - (a) comply with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the consolidated group and the parent entity's financial position as at 30 June 2009 and of their performance for the financial year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the consolidated group and parent entity will be able to pay their debts as and when they become due and payable.

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



Director _____

Bernard Romanin



Director _____

J A (Tony) Wigginton

Dated this 12th day of October 2009.

**ATF GROUP (PDF) LIMITED
AND CONTROLLED ENTITY
ACN 106 213 772**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ATF GROUP (PDF) LIMITED**

We have audited the accompanying financial report of ATF Group (PDF) Limited and its controlled entity, which comprises the Balance Sheet as at 30 June 2009, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the director's declaration of the consolidated entity comprising the company and the entity it controlled at the year's end or from time to time during the financial year.

Director's Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Independence

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

**ATF GROUP (PDF) LIMITED
AND CONTROLLED ENTITY
ACN 106 213 772**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ATF GROUP (PDF) LIMITED**

Auditor's Opinion

In our opinion,

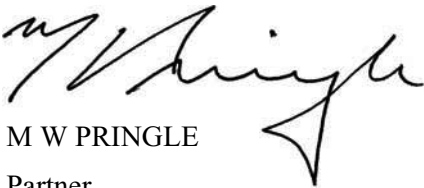
(a) the financial report of ATF Group (PDF) Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of its 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 consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without further qualification to the opinion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 2: Going Concern, there is uncertainty as to whether the company and the consolidated entity will be able to continue as a going concern and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report and whether they can continue to pay their debts as and when they become due and payable.



M W PRINGLE

Partner

12 October 2009



PITCHER PARTNERS

Melbourne

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