

Appendix 4D Half-Year Financial Report

Name of entity

ACTINOGEN LIMITED

ABN or equivalent company reference

14 086 778 476

Current Period: 1 July 2013 to 31 December 2013

(Previous corresponding period: 1 July 2012 to 31 December 2012)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenues from operations	Down	44%	to	167,063
Comprehensive Loss from operations after tax attributable to members	Up	755.7%	to	153,242
Comprehensive Loss for the period attributable to members	Up	755.7%	to	153,242

NTA Backing	31 December 2013 \$	31 December 2012 \$
Net tangible asset backing per ordinary share	0.007	0.004

BRIEF EXPLANATION OF THE ABOVE FIGURES

The increase in net tangible asset backing per ordinary share reflects the consolidation of capital, issue of shares and options and the loss from operations during the half-year. The net loss of the Company for the half-year after income tax increased to \$153,242 (2012: \$17,908).

For further information, refer to the Review of Operations contained within the Directors' Report, which forms a part of the attached financial statements below.

Dividend / Distribution Payments or Reinvestment Plans

Not applicable. No dividends have been paid or declared during the half-year ended 31 December 2013, in the previous year ended 30 June 2013 or in the previous corresponding period. The company does not propose to pay dividends.

Associates / Joint Ventures

Not applicable. Actinogen Limited has not engaged in the acquisition of associates nor has it engaged in any joint ventures in the half-year ended 31 December 2013.

Foreign Entities

Not applicable. Actinogen Limited does not have any international entities.

Modified Audit Opinion

Actinogen Limited has not received a modified audit opinion for the half-year ended 31 December 2013.

This report is based on the financial statements for the half-year ended 31 December 2013. The financial statements have been subject to a review by an independent auditor.

A handwritten signature in dark ink, appearing to be 'B. de Kauwe', written over a light blue circular stamp.

Director: Brendan de Kauwe

Date: 27 February 2014

ACTINOGEN LIMITED

ABN 14 086 778 476

www.actinogen.com.au

FINANCIAL REPORT 2013

For the Half-Year Ended 31 December 2013

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CORPORATE DIRECTORY

Board of Directors

Executive Director – Brendan de Kauwe
Non-Executive Director – Daniel Parasiliti
Non-Executive Director – Anton Uvarov
Company Secretary - Peter Webse

Principal / Registered Office

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West Perth WA 6005

Postal Address

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Contact Details

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Auditors

Ernst & Young
Ernst & Young Building
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Perth WA 6000

Lawyers

Steinepreis & Paganin
Level 4, The Read
Buildings
16 Milligan Street
Perth WA 6000

Bankers

National Australia Bank
1232 Hay Street
West Perth WA 6005

Share Register

Automic Registry Services
Suite 1A, Level 1
7 Ventnor Avenue
West Perth WA 6005

ACTINOGEN LIMITED

DIRECTORS REPORT

The Directors present their report on Actinogen Limited for half-year ended 31 December 2013.

Directors

The names of the Directors of the Company who have held office during and since the end of the half-year are set out below. The Directors were in office throughout the entire financial interim period and up to the date of this report unless stated otherwise.

Brendan de Kauwe – Executive Director (Appointed 23 September 2013 as Non-Executive Director, then appointed as Executive Director on 19 November 2013)

Daniel Parasiliti – Non-Executive Director (Appointed 23 September 2013)

Anton Uvarov – Non-Executive Director (Appointed 16 December 2013)

David Zohar – Executive Director (Appointed 26 March 1999; Resigned 16 December 2013)

Zhukov Pervan – Executive Chairman (Appointed 26 March 1999; Resigned 23 September 2013)

David Keast – Scientific Director (Appointed 1 November 2003; Resigned 23 September 2013)

Alan Morton – Non-Executive Director (Appointed 18 July 2007; Resigned 23 September 2013)

Simon England – Non-Executive Director (Appointed 18 July 2007; Resigned 23 September 2013)

Principle activities

The principal activity of the Company during the interim period pursuing biotech projects.

Results

The net loss of the Company for the half-year after income tax was \$153,242 (2012: \$17,908).

Review of operations

Background

Actinogen's aim is to identify and isolate soil microorganisms, known as actinomycetes, which are capable of producing bioactive compounds (or exhibiting properties in their own right) of commercial value. Actinogen seeks to achieve this aim by sampling Western Australian soils and testing actinomycetes isolates identified in those soils. The Company has one of the largest libraries of isolates in Australia and specialises in finding unique properties of these actinomycetes. The microorganisms are metabolically diverse and produce bioactive molecules such as bacterial antibiotics, anti-viral agents, anti-tumour agents, antifungal agents and immunosuppressive agents that are used for humans, animals and in agriculture.

Cancer Stem Cell Stem Project

Since the successful raising of working capital and relocation of the laboratory, the Company has identified internal projects that have a better fit with our corporate strategy and will represent the best use of our internal resources. Among these projects is developing therapies targeted at cancer stem cells (CSCs).

Cancer stem cells (CSCs) are defined as those cells within a tumour that can self-renew and drive tumorigenesis. Such cells are proposed to persist in tumours as a distinct population and cause relapse and metastasis by giving rise to new tumours. Recent research in brain tumors has identified a CD133+ cell population as a cancer stem cell population.

In its previous experiments Actinogen have tested a total of 11 actinomycetes supernatants against U87MG and U125MG neurospheres (free floating clusters rich in stem cells). The results have demonstrated that two isolates killed the whole cell population (ACN 5059 and ACN 5086). Cells which had died due to supernatant treatment had a high percentage of CD133+ cells, and thus actinomycete isolates ACN 5059 and ACN 5086 can be assumed to target CD133+ cells.

ACTINOGEN LIMITED

DIRECTORS REPORT

Actinogen is actively looking for research institutions to participate in our cancer stem cells project.

Antibiotic Research Project

The Company's actinomycetes library has been screened to identify actinomycetes that produce substances, which have an effect against bacteria, including bacteria which have become antibiotic resistant. Antibiotic-resistant bacteria are becoming an increasing global problem, with much research and investment directed to discovering new effective agents and treatment modalities. Actinogen owns a private existing database of over 6,000 actinomycetes. The actinomycetes are then tested against the MRSA panel, Candida, VRE, P. aeruginosa and the anaerobic pathogen, Clostridium difficile, to determine whether they have activity against the bacteria.

These testing panels consist of clinical isolates of microorganisms that have developed serious antibiotic resistance patterns and can therefore be used to increase the likelihood of finding new antibiotics.

Actinogen employs a series of screening tests which become more stringent. Primary screening is a rapid test to detect the production on solid agar of an isolate producing an antibiotic directed to one or more of the test organisms outlined above. Secondary screening is then carried out on known antibiotic producing isolates, in liquid culture. Tertiary screening is then used to determine the chemical nature of the antibiotic. Once an actinomycetes produces a substance that shows resistance to bacteria such as MRSA, Actinogen tries to identify the substance from the public literature and databases. If the substance cannot be matched to an existing substance, it is sent to an independent laboratory to obtain a molecular structure of the substance.

After tertiary screening, 69 isolates have shown activity against the entire MRSA panel, 11 isolates have shown activity against the entire Candida sp. panel and 58 isolates have shown activity against VRE. Each substance with activity against the MRSA panel and Clostridium difficile has the potential to become a new antibiotic; however significant further testing is required in order for this to be established. Since recommencing operations, the Antibiotic Research project has been flagged as one of the Company's focal projects, and continued trials will commence in the coming weeks.

The Bioethanol Project

On 23 December 2013, the Company announced that it had signed a collaborative and royalty agreement with ASX listed Company Leaf Energy Ltd, where ("LER") will fund the further studies in the Company's Bioethanol Project.

Under the terms of the agreement LER will fund further studies in ACW's bioethanol project; in which the Company previously identified strains of actinomycetes capable of producing cellulase(s). Cellulase(s) are enzymes used to breakdown cellulose from plant material, papers and industrial waste glycerols (Biomass), and are an important step in the production of second generation bioethanols.

An independent study by the CSIRO has confirmed the Company's ability to produce cellulase(s) and it was shown to be more active than its comparative commercially available preparations using a well diffusion assay.

Actinogen's process can potentially be much more cost effective than current methods, and avoid the need to rely on precious and dwindling food stocks as the source material. The traditional method of producing cellulase(s) is usually performed in an anaerobic environment at high temperatures, which is costly and requires significant capital for the infrastructure. The Company can produce cellulase(s) in an aerobic environment at room temperature, which may significantly lower costs.

Actinogen's process is complementary to Leaf Energy's glycerol pretreatment process which overcomes the current issues in biomass pretreatment using a highly effective and innovative technology that utilizes the cheap, recyclable, reagent glycerol in a simple process to break down plant matter into Lignin, Cellulose and Hemicellulose at low temperature and pressure. The cellulose and hemicellulose are then available for conversion to sugars using enzymatic hydrolysis and those sugars can then be converted to advanced biofuels, bioplastics and green chemicals

ACTINOGEN LIMITED

DIRECTORS REPORT

Actinogen and Leaf Energy aim to further improve the current enzymatic production processes and yields, and to identify additional strains of cellulase producing actinomycetes that would be synergistic to LER's glycerol pre-treatment process. The trials will be conducted at Actinogen's new laboratory facility at Murdoch University's SABC, by the Company's scientific team, and in collaboration with LER's scientific advisors.

On success of LER's fully funded initial trial, LER will have the option to contribute further funding towards additional trials to explore the potential synergy of other actinomycetes in the Company's library, specifically those identified to produce lignase(s) and Shikimic Acid, for the use in its biomass processes. The Company will grant LER the rights to exclusive uses of any of the methods of production solely developed as part of the collaborative process in return for a net profit royalty on LER's future licensing arrangements.

Shikimic Acid Project

In July 2012, Actinogen discovered that it could produce shikimic acid from certain actinomycetes. This shikimic acid has been produced on a molecular level only, and not yet on a scale sufficient to commercialise the project. Shikimic acid is the main (and one of the most expensive) components used to produce the influenza medication, Tamiflu. Actinogen's method for the production of shikimic acid is different from and potentially cheaper than, the current processes of producing shikimic acid currently be utilised by the primary manufacturers such as Roche.

Salt Tolerance Project

Actinogen has been approached by third parties expressing interest in the Company's salt tolerant actinomycetes project. Actinogen has been screening actinomycetes from its existing database and testing them to see if they have any ability to survive in salty environments. The aim of this research is to develop a product that will help farmers and other plant producers grow plants and crops in salt affected environments, which is a growing problem worldwide and in particular within Australia. Recent screening shows encouraging results identifying four isolates that can tolerate 10% saline, have the potential to survive in high salt environments and continue to lead to the production of humus to aid in the re-establishment of salt tolerant plants and the rehabilitation of salt affected soils.

The Company has more recently entered into a non-disclosure agreement with a party of interest to further explore the synergies with their existing projects with the potential for commercial collaborations.

Plant Growth Hormone Project

The Company's forefront project in 2013 is the recent discovery of a growth hormone that is being produced by one of Actinogen's actinomycetes. The actinomycetes are applied as a dried powder directly to the seeds of plants such as broad beans, peas and wheat at planting. Under these conditions, tests run by Actinogen and an independent WA University show that the actinomycetes promote extra growth in the trial plants.

The Company is very encouraged by the recent results, which were announced to the market on 18 June 2013. The trials completed by a WA University showed a mean average increase of growth of 10.9% for pea tops. The trials also showed increased tiller growth (growth shoots) on wheat plants when the Actinogen growth hormone was applied.

The Company intends to consider field trials for the project in 2014, once funding has been secured and it hopes to produce a product, which farmers and other plant producers can use on food crops and other plantations.

ACTINOGEN LIMITED

DIRECTORS REPORT

Biofumigation Project

In early 2012, Actinogen found actinomycetes that synthesise volatile bioactive molecules (polyenes), which may inhibit and/or kill pathogenic fungi. Actinogen is investigating whether these polyenes can be used for biofumigation.

In addition, the Company has other projects utilising its extensive actinomycetes library.

Outlook

Since relocating its laboratory facilities on 19 December 2013 to its new premises located at Murdoch University's State Agricultural Biotechnology Centre (SABC) Western Australia; the Company has re-established its team of scientists and rapidly recommenced its operations.

Trials have commenced at SABC on the Company's Bioethanol Project, which has been fully funded by Leaf Energy Ltd (ASX: LER), and run in collaboration with LER's scientific team.

Furthermore, the Company is very excited to have secured "state of the art" premises for its operations moving forward. SABC provides the most comprehensive set of equipment and facilities for biotechnology research and development in Western Australia. The Company also joins more than 20 other research groups and companies operating in similar scientific fields and commercial operations.

Since the recent Recapitalisation, the Company is now debt free and has sufficient funds to support the Company's near-term business strategies and recommence work on its focal projects. Following on from its milestone achievement with the LER collaboration, the Company's strategy is to continue to seek collaborations with groups nationally and internationally who are active in the development of synergistic technology. Furthermore, the Company will look to source licensing partners that could utilise the Company's current Actinomycetes library and exclusive intellectual property.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2013 has been received and is set out on page 8.

Signed in accordance with a resolution of the Directors, and is signed for on behalf of the Board by:



Brendan de Kauwe
Executive Director

27 February 2014
Perth Western Australia

ACTINOGEN LIMITED

AUDITORS INDEPENDENCE DECLARATION



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Auditor's Independence Declaration to the Directors of Actinogen Limited

In relation to our review of the financial report of Actinogen Limited for the half-year ended 31 December 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in black ink, appearing to read 'Ernst & Young', is written above the printed name.

Ernst & Young

A handwritten signature in black ink, appearing to read 'T G Dachs', is written above the printed name.

T G Dachs
Partner
27 February 2014

ACTINOGEN LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the half-year ended 31 December 2013

	Note	Half-year ended 31.12.2013 \$	Half-year ended 31.12.2012 (Restated) \$
Revenue from continuing operations	2	20,000	-
Other income	2	147,063	296,839
Business development		(116,794)	(6,358)
Corporate administration expenses		(104,687)	(94,607)
Research & development expenses		(82,795)	(211,825)
Finance costs		-	(457)
Impairment expenses		(16,029)	(1,500)
Loss Before Income Tax		(153,242)	(17,908)
Income tax benefit/(expense)		-	-
Loss for the half-year		(153,242)	(17,908)
Other comprehensive income for the half-year net of tax		-	-
Total comprehensive loss for the half-year		(153,242)	(17,908)
Earnings per share for (loss) attributable to the ordinary equity holders of the company			
Basic loss per share (cents)		(0.15)	(0.02)
Dilutive loss per share (cents)		(0.15)	(0.02)

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

ACTINOGEN LIMITED
STATEMENT OF FINANCIAL POSITION
As at 31 December 2013

	Note	31.12.2013 \$	30.06.2013 \$
CURRENT ASSETS			
Cash and cash equivalents	5	1,353,209	112,516
Trade and other receivables	7	50,134	25,176
TOTAL CURRENT ASSETS		1,403,343	137,692
NON-CURRENT ASSETS			
Available for sale financial assets	9	1,500	1,500
Property, plant and equipment	8	114,238	120,451
Intangible assets		-	16,029
TOTAL NON-CURRENT ASSETS		115,738	137,980
TOTAL ASSETS		1,519,081	275,672
CURRENT LIABILITIES			
Trade and other payables	10	48,039	81,319
TOTAL LIABILITIES		48,039	81,319
NET ASSETS		1,471,042	194,353
EQUITY			
Contributed equity	12	7,217,864	5,788,433
Reserves		4,789,123	4,788,623
Accumulated losses		(10,535,945)	(10,382,703)
TOTAL EQUITY		1,471,042	194,353

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

ACTINOGEN LIMITED
STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2013

	Contributed Equity	Accumulated Losses	Option Reserve	Total
	\$	\$	\$	\$
Balance as at 1.07.2013	5,788,433	(10,382,703)	4,788,623	194,353
Loss for the half-year	-	(153,242)	-	(153,242)
Other comprehensive income				
Change in fair value of available for sale financial assets	-	-	-	-
Total comprehensive income for the half-year	-	(153,242)	-	(153,242)
Transactions with equity holders in their capacity as equity holders				
Shares issued during the half-year	1,565,000	-	-	1,565,000
Capital raising costs	(135,569)	-	-	(135,569)
Options issued during the half-year	-	-	500	500
Balance as at 31.12.2013	7,217,864	(10,535,945)	4,789,123	1,471,042

	Contributed Equity	Accumulated Losses	Option Reserve	Total
	\$	\$	\$	\$
Balance as at 1.07.2012	5,776,407	(10,218,040)	4,788,623	346,990
Loss for the half-year	-	(17,908)	-	(17,908)
Other comprehensive income				
Change in fair value of available for sale financial assets	-	-	-	-
Total comprehensive income for the half-year	-	(17,908)	-	(17,908)
Transactions with equity holders in their capacity as equity holders				
Shares issued during the half-year	19,000	-	-	19,000
Capital raising costs	-	-	-	-
Balance as at 31.12.2012	5,795,407	(10,235,948)	4,788,623	348,082

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

ACTINOGEN LIMITED
STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2013

	Note	Half-year ended 31.12.2013 \$	Half-year ended 31.12.2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		110	4,134
Payments to suppliers and employees		(266,799)	(242,618)
Research and development tax offset		146,954	290,272
Net cash inflow/(outflow) from operating activities		(119,735)	51,788
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(5,252)	-
Net proceeds from sale of available for sale financial assets		-	22,320
Net cash inflow from investing activities		(5,252)	22,320
CASH FLOWS FROM FINANCING ACTIVITIES			
Transaction costs of issue of shares		1,365,679	19,000
Net cash inflow from financing activities		1,365,679	19,000
Net increase/(decrease) in cash and cash equivalents		1,240,692	93,108
Cash and cash equivalents at beginning of the half-year		112,517	203,735
CASH AND CASH EQUIVALENTS AT END OF THE HALF-YEAR	5	1,353,209	296,843

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

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICY

a) Basis of preparation

The interim financial statements for the half-year ended 31 December 2013 is a general purpose financial report prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The interim financial statements do not include all the information and disclosures required in the annual financial statements. Accordingly, this report is to be read in conjunction with the annual statements for the year ended 30 June 2013 and any public announcements made by Actinogen Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

The half-year report has been prepared on an accruals basis and on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of available for sale investments. The financial statements have been prepared on a going concern basis.

b) Correction of prior period error

The research and development payment received during the prior period under the R&D Tax Incentive scheme was incorrectly classified as an income tax benefit. The payment received under the R&D Tax Incentive scheme for costs already incurred is considered to be a Government Grant that is recognised as income in the period in which it becomes receivable. As a result, the Company has classified the R&D Tax Incentive as Other Income for the half-year ended 31 December 2013 and comparatives figures have been adjusted accordingly. The correction had no impact on the loss for the half-year ended 31 December 2012 or earnings per share.

c) Reclassification of expenses

During the period the Company has performed a review of its financial statements and has reclassified expenses from nature to function within the Statement of Comprehensive Income on the basis that classification by function is considered to be more relevant to users. Comparatives balances have been reclassified to ensure consistency with the current period. The impact of the reclassification by line item is shown in the tables below.

Classification of expenses by function (as previously reported)	Half-year ended 31.12.2013 \$	Half-year ended 31.12.2012 \$
Depreciation expenses	(6,562)	(7,220)
Laboratory expenses	(55,660)	(202,604)
Finance costs	-	(457)
Administration	(231,129)	(107,423)
Employee expenses	(10,925)	4,457
Impairment of available for sale financial assets	-	(1,500)
Impairment expenses	(16,029)	-
Total expenses	(320,305)	(314,747)

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Classification of expenses by function (as restated)	Half-year ended 31.12.2013 \$	Half-year ended 31.12.2012 \$
Business development	(116,794)	(6,358)
Corporate administration expenses	(104,687)	(94,607)
Research & development expenses	(82,795)	(211,825)
Finance costs	-	(457)
Impairment expenses	(16,029)	(1,500)
Total expenses	(320,305)	(314,747)

Changes in accounting policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2013, except as noted below.

The Company has adopted all new and amended accounting standards and interpretations effective 1 July 2013, including:

- (i) AASB 10 Consolidated Financial Statements
AASB 10 established a new control model that applies to all entities. It replaces parts of AASB 127 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and UIG-112 Consolidation – Special Purpose Entities.

AASB 10 had no impact on the Company.

- (ii) AASB 11 Joint Arrangements
There is no impact upon adopting this standards as the Company does not currently have any Joint Arrangements.

- (iii) AASB 12 Disclosure of Interests in Other Entities
AASB 12 includes additional disclosures relating to an entities' interest in subsidiaries, joint arrangements, associates and structured entities.

None of these disclosure requirements are applicable for interim financial statements, unless significant events and transactions in the interim period require that they are provided. Accordingly, the Company has not made such disclosures.

- (iv) AASB 13 Fair Value Measurement
AASB 13 establishes a single source of guidance under AASB for all fair value measurements. AASB 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under AASB when fair value is required or permitted. The application of AASB 13 has not materially impacted the fair value measurements carried out by the Company. AASB 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including AASB 7 Financial Instruments: Disclosures. Additional disclosures have been included (see note 7)

- (v) IAS 19 Employee Benefits (Revised 2011) (IAS 19R)
The revised standard changes the definition of short-term employee benefits. The distinction between short-term and long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date.

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Management has classified leave provisions based on the timing of when the entity expects the benefit to become due to be settled. There has been no material impact upon adopting this standard.

The Company has adopted the following accounting policy in respect of Government Grants:

a) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amount over the expected useful life of the related asset.

2. REVENUE

	Half-year ended 31.12.2013	Half-year ended 31.12.2012
	\$	\$
Revenue		
Revenue from continuing activities	20,000	-
	20,000	-
<i>Other income</i>		
Interest Income	109	1,032
Profit on sale of assets	-	2,433
Government Grants	146,954	290,272
Other	-	3,102
<i>Total other income</i>	147,063	296,839
Total revenue	167,063	296,839

3. DIVIDENDS

No dividends were paid or proposed during the half-year ended 31 December 2013.

4. SEGMENT INFORMATION

The company's sole operations are within the biotech industry within Australia. Given the nature of the company, its size and current operations management does not treat any part of the company as a separate operating segment. Internal financial information used by the company's decision makers is presented on a "whole of entity" manner without dissemination to any separately identifiable segments.

Accordingly the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5. CASH AND CASH EQUIVALENTS

	31.12.2013	30.6.2013
	\$	\$
Cash at bank and on hand	1,353,209	112,516
Total cash and cash equivalents	1,353,209	112,516

6. FINANCIAL INSTRUMENTS

Set out below is an overview of the financial instruments, other than cash and short-term deposits, held by the Company as at 31 December 2013:

	Loan and receivables \$	Available-for- sale \$	Fair value profit or loss \$	Fair value other comprehensive income \$
Financial assets:				
Equity instruments	-	1,500	-	-
Total non-current	-	1,500	-	-
Trade and other receivables	50,134	-	-	-
Total current	50,134	-	-	-
Total	50,134	1,500	-	-
Financial liabilities:				
Trade and other payables	48,039	-	-	-
Total current	48,039	-	-	-
Total	48,039	-	-	-

Fair Value Measurements

AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

The following tables present the Group's assets measured and recognised at fair value at 31 December 2013 and 30 June 2013.

<u>At 31 December 2013</u>	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets	-	-	-	-
Equity securities	1,500	-	-	1,500
Total assets	1,500	-	-	1,500

<u>At 30 June 2013</u>	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets	-	-	-	-
Equity securities	1,500	-	-	1,500
Total assets	1,500	-	-	1,500

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid prices at the end of the financial year. These instruments are included in Level 1.

Fair values

Set out below is a comparison of the carrying amounts and fair values of financial instruments as at 31 December 2013:

The carrying value of trade receivables and trade payables are assumed to approximate their fair value due to their short-term nature.

	Carrying amount \$	Fair value \$
Financial assets:		
Equity instruments	1,500	1,500
Total non-current	1,500	1,500
Trade and other receivables	50,134	50,134
Total current	50,134	50,134
Total	51,634	51,634
Financial liabilities:		
Trade and other payables	48,039	48,039
Total current	48,039	48,039
Total	48,039	48,039

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

7. TRADE AND OTHER RECEIVABLES

	31.12.2013	30.6.2013
	\$	\$
Trade and other debtors	22,000	-
Prepayments	4,086	20,736
Goods and services tax refund	24,048	4,440
Total trade and other receivables	50,134	25,176

8. PROPERTY, PLANT AND EQUIPMENT

	31.12.2013	30.6.2013
	\$	\$
At cost	205,742	213,500
Accumulated depreciation	(91,504)	(93,049)
Total property, plant and equipment	114,238	120,451

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	31.12.2013	30.6.2013
	\$	\$
Listed investments at fair value	1,500	1,500
Fair value	1,500	1,500
At beginning of period/year	1,500	26,660
Fair value adjustments	-	(20,160)
Impairment of available for sale financial assets	-	(5,000)
At end of period/year	1,500	1,500

10. TRADE AND OTHER PAYABLES

	31.12.2013	30.6.2013
	\$	\$
Trade payables	11,817	10,149
Accruals and other payables	36,222	71,170
Total trade and other payables	48,039	81,319

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

11. CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities or assets as at 31 December 2013 (2012: Nil).

12. EQUITY SECURITIES ISSUED

	31.12.2013	31.12.2013	31.12.2012	31.12.2012
	\$	Shares	\$	Shares
Balance at beginning of half-year:				
1 July	5,788,433	89,264,709	5,776,407	88,662,711
Issue of shares - private placement 7 October 2013	65,000	13,000,000	-	-
<i>Sub-total</i>	5,853,433	102,264,709	5,776,407	88,662,711
Consolidation of shares 10 December 2013	-	(51,132,371)		
Issue of shares - private placement 12 December 2013	1,500,000	150,000,000	-	-
Capital raising costs	(135,569)	-	-	-
Issue of shares from rights issue	-	-	19,000	601,998
Balance at end of half-year year - 31 December	7,217,864	201,132,338	5,795,407	89,264,709

Note: During the half-year, the Company also issued 50,000,000 unlisted options at \$0.00001 per option, exercisable at \$0.02 each and with an expiry date of 30 November 2018.

13. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of the entity in subsequent reporting periods.

ACTINOGEN LIMITED

DIRECTORS' DECLARATION

In the director's opinion:

- (a) The financial statements and notes set out on pages 9 to 19 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 Interim Financial Reporting, and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Company's financial position as at 31 December 2013 and its performance for the half-year ended on that date, and,
- (b) 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 Directors.



Brendan de Kauwe
Executive Director

27 February 2014
Perth, Western Australia

ACTINOGEN LIMITED

INDEPENDENT AUDITOR'S REVIEW REPORT



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To the members of Actinogen Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Actinogen Limited, which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Actinogen Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

ACTINOGEN LIMITED

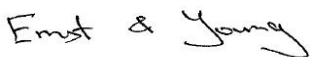
INDEPENDENT AUDITOR'S REVIEW REPORT



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Actinogen Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'T G Dachs'.

T G Dachs
Partner
Perth
27 February 2014