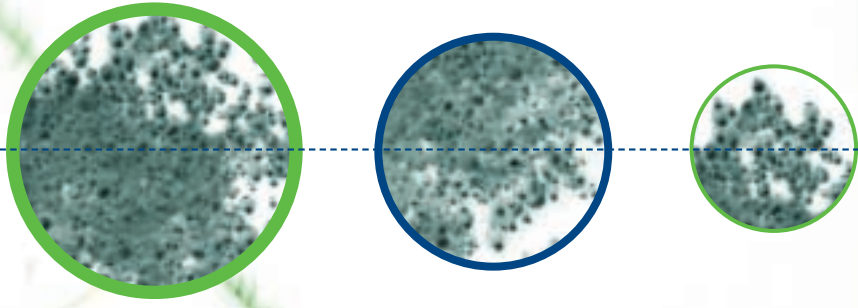


Annual Report

2001



SIRTeX
MEDICAL

INNOVATORS IN ONCOLOGY

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Chairman's and CEO's Report

In fiscal 2001 Sirtex Medical continued building solid foundations and moving towards becoming a significant international medical device business.

These included relocating the company's operations from Perth to the hi-tech commercial area at North Ryde in Sydney, recruiting qualified senior staff, developing its Information Technology and Web-based systems, completing a new Phase 2 clinical trial which will extend the indications for SIRT (Selective Internal Radiation Therapy), gaining a unanimous recommendation of approval for SIR-Spheres® from the United States FDA's radiological panel and appointing a distribution agent in the USA. The company also implemented a new Quality Assurance system appropriate for an international medical business.

Highlights from FY01 included:

Sales increase in Australia/Asia Pacific

Sales revenue for FY01 was \$378K which is an increase of 51% over FY2000. Unit volume increased by 56%. Gross margins remained above 77%. Sales were generated in Australia, New Zealand, Singapore, Hong Kong and Thailand. Implants have now been carried out in hospitals in Sydney, Canberra, Melbourne, Brisbane and Perth with several new centres in Australia preparing to treat their first patients in the near future. Our application to the Medical Services Advisory Committee for Federal Government reimbursement is still under consideration.

Expenditure within forecasts and cash position strong

Gross cash outflow during FY01 was \$3,072K compared to \$3,800K forecast in the prospectus. This included Research and Development expenditure of \$465K. Selling, general and administration costs were above forecast while low spending on capital more than compensated. Net cash outflow from operating activities was \$1,439K. The company had in excess of \$13,000K in cash reserves at 30 June 2001, most of which were held in A1 rated bill lines.

FDA advise SIRT is approvable subject to compliance

FDA approval requires a Pre-Marketing Approval (PMA) Application, acceptance of safety and efficacy data and compliance with the Quality Systems Regulations. The company's PMA has been submitted and reviewed by the Radiological Panel which unanimously recommended that the application for SIR-Spheres® was approvable. The outstanding conditions attached to this recommendation will have been met once the FDA re-inspects our manufacturer Australian Radioisotopes (ARI) in October and confirms that all compliance issues have been resolved.

In preparation for the anticipated FDA approval and final market release, Sirtex appointed Alpha Omega as its US import agent/distributor and began marketing to key opinion leaders in major US teaching hospitals. These liver cancer specialists attended a mini-symposium held during the American Society of Clinical Oncology in San Francisco last May.

European Registration well advanced and pre-marketing underway

An experienced European executive was appointed on a part-time basis to lay the groundwork for our entry into the European market. The company has submitted its design dossier to its European Notified Body, British Standards Institution (BSI), who will inspect our facilities later this year. Key opinion leaders in the UK, France, Germany and Belgium have been contacted and negotiations are well advanced towards the use of SIRT in a multi-centre evaluation of its synergist effects with various new chemotherapies.



Dr Chris Roberts
Chairman



Dr Colin Sutton
Chief Executive Officer



Dr Bruce Gray
Medical Director



Dr Michael Panaccio
Non-Executive Director

Other new markets being developed

Asia – The company began market development activities in several new market areas during FY01 including Malaysia and Thailand, where a full-time sales executive has been based since November last year. Our Medical Director, Dr Bruce Gray, conducted seminars throughout Thailand training Thai oncologists and interventional radiologists on the implant of SIR-Spheres®. Exports to Sirtex's existing customers in Singapore and Hong Kong continued throughout FY01.

South America – Product registration procedures were started in Argentina, one of the leading potential markets in Latin America. The Brazilian market will be addressed when economic conditions improve.

Manufacturing process improved, simplified and patented

The manufacturing process of SIRT1 has been optimised to achieve shorter production cycles, increased output and significantly lower costs. A new manufacturing agreement was negotiated with ARI that will allow both parties to benefit from the higher yields per manufactured batch. Sirtex is presently collaborating with other parties to develop a new and simplified method of manufacturing SIRT, which will remove the need for close access to a nuclear reactor. A provisional patent application has been lodged to protect these innovations.

IT and internal systems strengthened

New Information Technology and management information systems have been implemented in the North Ryde facility. These include an integrated LAN based IT and communication system which will allow for direct order entry and capture of clinical data over the Internet. Our websites www.sirtex.com and www.liver-cancer.net are presently being upgraded to reflect a newer image and to make provision for greater use of web based e-commerce systems. Sirtex is in compliance with all software license agreements and has recently been audited by an external software consultant.

Commitment to R&D remains high with expenditure at \$465K

Two major R&D projects remain the focus of our R&D expenditure namely SIRT2 and the use of hyperthermia treatment of liver cancer.

SIRT2 – The development of a second-generation ceramic radioactive micro-sphere that addresses the limited shelf life of SIRT1 and simplifies the logistics of international distribution is at an advanced stage. During the year we investigated irradiation in various reactor positions and conducted distribution studies in animals. This work resulted in a new provisional patent covering important rheological factors and novel ceramic micro-spheres.

Hyperthermia – Research into the use of hyperthermia in the treatment of liver cancer progressed slowly during FY01. Our patented hyperthermia process was finally tested in large animal trials after considerable delays in installing the field generator at Royal Perth Hospital. These trials, which were undertaken with full ethics committee approval and under Good Laboratory Practice guidelines, yielded valuable information about this new technology platform.

Patents – Several new patent applications were filed during the year and one of our material patents progressed to the national phase. The company continues to place strong emphasis on protecting its intellectual property position.

Clinical Trials with SIRT and Systemic Chemotherapy Give Positive Results

Phase 2 Clinical Trial Positive – Preliminary results from our recent Phase 2 clinical trial confirmed that SIRT can be used to improve the treatment response from current systemic chemotherapy agents. Newer systemic chemotherapy agents for the treatment of liver cancer are becoming established. Sirtex continues to monitor these developments and confirm the safety and efficacy of SIRT when used as a combination therapy.

Clinical Papers – The results of our pivotal Phase 3 clinical trial have been accepted for publication in an international peer review journal and will appear later this year in the *Annals of Oncology*.

Medical Advisory Board (MAB) – An Australian MAB has been appointed and recently met to advise the company on clinical matters. An international MAB is presently being established and will contribute significantly to the company's international stature.

With these developments and the imminent approval of our first product in the northern hemisphere, the company is poised to generate significant sales in the major international markets.

C G Roberts
Chairman

C N Sutton
Chief Executive Officer

Company Profile

The original concepts underpinning the core technology which has been commercialised by Sirtex Medical were initially developed by Dr Bruce Gray and the Cancer Research Institute Inc (CRI) and have been published in the scientific literature.

The CRI is an independently incorporated research institute, founded in 1990 and has undertaken many research programs investigating cancer over the past decade.

Sirtex Medical was formed in 1997 to acquire and commercialise a portfolio of three technologies relating to the treatment of liver cancer developed by the CRI and Dr Bruce Gray. At that time, NJI No. 2 Investment Fund (managed by Nomura/JAFCO Investment (Asia) Ltd) subscribed for equity in the Company to finance development of the technologies. Since its formation, Sirtex Medical has both undertaken its own research and development and also contracted other agencies such as the CRI to further develop the Company's technologies.

To capitalise on the market opportunities for its technologies, Sirtex Medical has moved its corporate head office from Perth to Sydney and has employed key executives with experience in establishing and growing an international medical products business.

Sirtex Medical aims to become the world leader in liver cancer treatment products. The Company believes the unmet demand for effective treatment of liver cancer provides an opportunity for Sirtex Medical's products. The Company will also apply its micro-sphere technology to other diseases where the Company's intellectual property can provide market opportunities.

Sirtex Medical's Cancer Treatment Products

Sirtex Medical has developed and refined techniques for targeting large numbers of micro-spheres into tumours within the liver. These spheres can be manufactured from a variety of different materials and act as transport vehicles to carry anti-cancer agents such as ionising radiation (ie. SIR-Spheres®), anti-cancer drugs (ie. Dox-Spheres) or materials that can generate heat within the cancer (ie. Thermo-Spheres). This has provided Sirtex Medical with a technology platform on which other products can be developed.

Targeted Radiotherapy with SIR-Spheres®

SIR-Spheres® are biocompatible yttrium-90 micro-spheres that are radioactive, emitting beta radiation. SIR-Spheres® are implanted by delivering the microspheres into the blood supply of the liver, whereupon the spheres are targeted specifically to the tumours within the liver. The SIR-Spheres® are trapped in the small blood vessels of the tumour. It is not necessary to identify either the number or location of the tumours within the liver, as the SIR-Spheres® will target them regardless of where they are. Once targeted to the tumour, SIR-Spheres® irradiate it by a process known as Selective Internal Radiation Therapy (SIRT), leading to the destruction of the tumour, whilst most of the normal liver tissue remains relatively unaffected. SIR-Spheres® have been used to treat many hundreds of patients with liver cancer in Australia, New Zealand and Asia in a variety of clinical trials. These human tests have been conducted within the framework of rigorous scientific experiments in major teaching hospitals and cancer centres. The results have shown response rates higher than other forms of treatment. Further trials are currently underway to extend the clinical use of SIR-Spheres®.

Early results were first released to the medical community at the annual meeting of the American Society of Clinical Oncology (ASCO) on 16 May, 1999 and caused great interest. Sirtex Medical's presentation at ASCO was one of a small group of new studies that was selected out of more than 2000 presentations by the ASCO Committee for a news conference on 'New Technologies for the Future'.

In Hong Kong most patients have been treated outside of trials as SIR-Spheres® are now considered a standard treatment for primary liver cancer. As well as being highly effective, treatment with SIR-Spheres® also has been reported to have considerably fewer side effects than alternate treatments and therefore is the preferred treatment option for many patients. In New Zealand and Australia, patients are now also treated with SIR-Spheres® outside of trials as the treatment is beginning to be considered standard therapy there also.

An important observation from both Asian and Australian trials is that some patients with very advanced liver cancer can be down-staged to the point where their tumours can be surgically removed and even cured after treatment with SIR-Spheres®.

Manufacturing

SIR-Spheres® are manufactured under an agreement with Australian Radioisotopes (ARI) which is the commercial arm of the Australian Nuclear Science & Technology Organisation (ANSTO). ANSTO is an Australian Government agency that operates Australia's only nuclear reactor. ARI is the major supplier of radiopharmaceutical agents in Australia and is approved by the Therapeutic Goods Administration (TGA) for the manufacture of radiopharmaceuticals. ARI is actively expanding its presence in Asia where it currently markets a range of products.

Regulatory Approval

The marketing of medical products requires regulatory approval in each country. Sirtex Medical has obtained regulatory approval for marketing SIR-Spheres® in Australia, New Zealand, Thailand, Hong Kong and Singapore. Sirtex Medical's application to the FDA in the USA was submitted in October 1999 and in February 2001 an approvable letter was granted. The company submitted an application for marketing approval in the European Union.



This series of CT scans shows a typical response after treatment with SIR-Spheres®. The patient has advanced secondary liver cancer. Scan 1 shows the cancer before treatment. Scan 2, 3 and 4 show continual shrinkage of the tumour at 4, 8 and 14 months after treatment with SIR-Spheres®. The majority of patients treated with SIR-Spheres® respond in a similar manner to this patient.

Scan 2



Scan 3



Scan 4



Financial Report

Financial Report for the Financial Year Ended 30 June 2001

2001

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Corporate Governance Statement

The Directors are responsible for the corporate governance practices of the company. This statement sets out the main corporate governance practices that were in operation throughout the financial year, except where otherwise indicated.

The Board of Directors

The Board carries out its responsibilities according to the following mandate:

- the Board should comprise at least four and not more than twelve Directors;
- the Board should be made up of at least one half of non-executive Directors;
- the Chairman of the Board should be a non-executive director;
- the Directors should possess a broad range of skills, qualifications and experience;
- the Board should meet at least six times per annum; and
- all available information in connection with items to be discussed at a meeting of the Board shall be provided to each director prior to that meeting.

On the day on which the Directors' report is made out, the Board consisted of two non-executive Directors and two executive Directors. Details of the Directors are set out in the Directors' report.

The primary responsibilities of the Board include:

- the approval of the annual and half-year financial report;
- the establishment of the long term goals of the company and strategic plans to achieve those goals;
- the review and adoption of annual budgets for the financial performance of the company and monitoring the results on a quarterly basis; and
- ensuring that the company has implemented adequate systems of internal controls together with appropriate monitoring of compliance activities.

Independent Professional Advice

With the prior approval of the Chairman, each director has the right to seek independent legal and other professional advice at the company's expense concerning any aspect of the company's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

Remuneration Committee

The Board has established a remuneration committee consisting of the following non-executive Directors:

- Michael Panaccio and Christopher G Roberts

The remuneration committee reviews the remuneration policies applicable to all Directors and executive officers on an annual basis and makes recommendations on remuneration packages and terms of employment to the Board. Remuneration packages, which consist of base salary, fringe benefits, incentive schemes (including performance-related bonuses), superannuation, and entitlements upon retirement or termination, are reviewed with due regard to performance and other relevant factors.

In order to retain and attract executives of sufficient calibre to facilitate the efficient and effective management of the company's operations, the remuneration committee seeks the advice of external advisers in connection with the structure of remuneration packages.

Particulars concerning Directors' and executives' remuneration and the company's executive and employee share option plan are set out in notes 4 to 6 to the financial statements.

Audit Committee

The Board has established an audit committee consisting of two non-executive Directors. The current members of the audit committee are:

- Michael Panaccio
- Christopher G Roberts

The audit committee provides a forum for the effective communication between the Board and external auditors.

The audit committee reviews:

- the annual and half-year financial report prior to their approval by the Board;
- the effectiveness of management information systems and systems of internal control; and
- the efficiency and effectiveness of the internal and external audit functions, including reviewing the respective audit plans.

Risk Management

The Board is responsible for the company's system of internal controls. The Board constantly monitors the operational and financial aspects of the company's activities and, through the audit committee, the Board considers the recommendations and advice of external auditors and other external advisers on the operational and financial risks that face the company.

The Board ensures that recommendations made by the external auditors and other external advisers are investigated and, where considered necessary, appropriate action is taken to ensure that the company has an appropriate internal control environment in place to manage the key risks identified.

In addition, the Board investigates ways of enhancing existing risk management strategies, including appropriate segregation of duties, the employment and training of suitably qualified and experienced personnel, and, in conjunction with the recommendations of the audit committee.

Code Of Conduct

The Board is committed to the highest standard of conduct and ethical practices in guiding the company's business activities.

Directors' Report

The Directors of Sirtex Medical Limited submit herewith the annual financial report for the financial year ended 30 June 2001. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

The names and particulars of the Directors of the company during or since the end of the financial year are:

Name	Particulars
Christopher Graham Roberts	Chairman, joined the Board in March 2000, he is Executive Vice President of ResMed Inc, a listed medical device company.
Colin Neville Sutton	Chief Executive Officer, joined the Board in March 2000.
Bruce Nathaniel Gray	Medical Director, joined the Board in April 1997, he is Chairman of the Cancer Research Institute Inc.
Michael Panaccio	Investment Manager, JAFCO Investment (Asia Pacific) Limited, joined the Board in February 1998.

Principal Activities

The consolidated entity's principal activities in the course of the financial year were research and development and commercialisation of treatments for liver cancer.

Review Of Operations

The consolidated entity incurred a loss of \$1,978,000 for the year ended 30 June 2001 (2000: loss \$1,133,000) but grew sales by 51% to \$378,000 over the previous year. The loss was within budget expectations.

The primary focus for FY01 was to prepare for entry into new markets, establish the company as a publicly listed entity and to increase output whilst reducing costs of manufacture from the Lucas Heights site.

During the year Sirtex relocated its operations from Perth to Sydney, recruited key qualified senior staff, implemented a new quality system and completed enrolment for a new Phase 2 clinical trial that will extend the indications for the use of SIR-Spheres[®], the company's lead product. Sirtex also made significant progress towards gaining US FDA approval for SIR-Spheres[®].

Changes In State Of Affairs

During the financial year there was no significant change in the state of affairs of the consolidated entity other than that referred to in the financial statements or notes thereto.

Subsequent Events

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Future Developments

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

Environmental Regulations

The consolidated entity is in full compliance with all environmental regulations.

Dividends

No dividends have been paid or proposed for the current year. The Directors recommend that no dividend be paid for the current year.

Share Options

Share Options Granted to Directors and Executives

During and since the end of the financial year an aggregate of 1,745,933 share options were granted to the following Directors and executives of the company.

Directors and Executives	Number of Options Granted	Issuing Entity	Number of Ordinary Shares Under Option
C G Roberts	151,000	Sirtex Medical Ltd	151,000
C N Sutton	1,131,000	Sirtex Medical Ltd	1,131,000
B N Gray	114,000	Sirtex Medical Ltd	114,000
M Panaccio*	114,000	Sirtex Medical Ltd	114,000
P L Manley	50,000	Sirtex Medical Ltd	50,000
M Hope	160,933	Sirtex Medical Ltd	160,933
D James	25,000	Sirtex Medical Ltd	25,000

* These options are held by JAFCO Investment (Asia Pacific) Limited

Directors' Report

Executive and Employee Share Option Plan

In accordance with the provisions of the Employee Share Option Plan, as at the date of this report, Directors and employees are entitled to purchase 173,977 Ordinary shares at an issue price of \$0.31 per Ordinary share, 756,000 Ordinary shares at an issue price of \$1.00 per Ordinary share and 145,000 Ordinary shares at an exercise price of \$1.26 per Ordinary share. In addition a director is entitled to purchase 754,000 ordinary shares in Sirtex Medical Ltd at an issue price calculated with reference to the market price prior to issue. The holders of such options do not have the right, by virtue of the option, to participate in any share issue or interest issue or any other body corporate or registered scheme.

During the financial year, no options were exercised in accordance with the provisions of the share option plan resulting in no ordinary shares of the company being issued.

Further details of the executive and employee share option plan are disclosed in note 6 to the financial statements.

Indemnification Of Officers And Auditors

During the financial year, the company paid a premium in respect of a contract insuring the Directors of the company (as named above), the company secretary, Peter Manley, and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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

Directors' Meetings

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 8 Board meetings (incorporating the audit committee) and 2 remuneration committee meetings were held.

Directors	Board of Directors		Remuneration Committee		Audit Committee	
	Held	Attended	Held	Attended	Held	Attended
C G Roberts	8	8	2	2	Nil*	Nil*
C N Sutton	8	8	—	—	—	—
B N Gray	8	8	—	—	—	—
M Panaccio	8	8	2	2	Nil*	Nil*

* Note that, due to the size of the Board, audit reviews were held within the context of the general Board meetings.

Directors' Shareholdings

The following table sets out each director's relevant interest in shares, debentures, and rights or options in shares or debentures of the company or a related body corporate as at the date of this report.

Directors	Fully Paid Ordinary Shares	Executive Share Options
C G Roberts	60,000	151,000
C N Sutton	50,000	1,131,000
B N Gray	19,438,283	114,000
M Panaccio	150,000	114,000**

** Options held by JAFCO Investment (Asia Pacific) Limited.

Directors' and Executives' Remuneration

The remuneration committee reviews the remuneration packages of all Directors and any executive officers earning greater than \$100,000 on an annual basis and makes recommendations to the Board. Remuneration packages are reviewed with due regard to performance and other relevant factors.

In order to retain and attract executives of sufficient calibre to facilitate the efficient and effective management of the company's operations, the remuneration committee seeks the advice of external advisers in connection with the structure of remuneration packages.

Remuneration packages contain the following key elements:

- Salary/fees;
- Benefits – including the provision of motor vehicle, superannuation and health benefits; and
- Incentive schemes – including performance related bonuses and share options under the executive and employee share option plan as disclosed in note 6 to the financial statements.

Directors' Report

The following table discloses the remuneration of the Directors of the company:

Name	Salary/Fees	Benefits	Incentive Schemes	Total
Executive Directors				
Colin N Sutton	200,000	Nil	Nil	200,000
Bruce N Gray	150,000	Nil	Nil	150,000
Non-Executive Directors				
Christopher G Roberts	40,400	Nil	Nil	40,400
Michael Panaccio	25,500	Nil	Nil	25,500

The following table discloses the remuneration of the 4 highest remunerated executives of the company and the consolidated entity. These executives, together with the executive Directors, comprise the management of the company and the consolidated entity.

Name	Salary/Fees	Benefits	Incentive Schemes	Total
Company and Consolidated				
K T Murphy	67,846	4,652	Nil	72,498
M Hope	63,700	8,711	Nil	72,411
P L Manley	41,153	10,622	Nil	51,775
D C James	30,423	7,397	Nil	37,820

Rounding Off Of Amounts

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' report and the financial report are rounded off to the nearest thousand dollars.

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors



Christopher Graham Roberts

Director

19 September 2001



Colin Neville Sutton

Director

20 September 2001

Independent Audit Report

to the members of Sirtex Medical Limited

Scope

We have audited the financial report of Sirtex Medical Limited for the financial year ended 30 June 2001 as set out on pages 9 to 36. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year. The company's Directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards issued in Australia and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Sirtex Medical Limited is in accordance with:

- (a) 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 2001 and of their performance for the year ended on that date; and
 - ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.



DELOITTE TOUCHE TOHMATSU



G.M. Sanford
Partner
Chartered Accountants

SYDNEY, September 2001

Directors's Declaration

The Directors declare that:

- a) the attached financial statements and notes thereto comply with Accounting Standards;
- b) the attached financial statements and notes thereto give a true and fair view of the financial position and performance of the company and the consolidated entity;
- c) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001; and
- d) in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors



Christopher Graham Roberts
Director

19 September 2001



Colin Neville Sutton
Director

20 September 2001

Statement of Financial Performance

for the financial year ended 30 June 2001

	Note	Consolidated		Company	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Revenue from ordinary activities		1,161	619	953	520
Changes in inventories of finished goods and work in progress		(4)	4	–	–
Raw materials and consumables used		(82)	(66)	–	–
Employee benefits expense		(976)	(513)	(975)	(513)
Depreciation and amortisation expense		(253)	(192)	(253)	(192)
Other expenses from ordinary activities		(1,824)	(985)	(1,796)	(981)
Loss From Ordinary Activities Before Income Tax Expense	2	(1,978)	(1,133)	(2,071)	(1,166)
Income tax expense relating to ordinary activities	3	–	–	–	–
Net Loss Attributable to Members of the Parent Entity		(1,978)	(1,133)	(2,071)	(1,166)
Earnings Per Share – Basic (cents per share)	21	(3.84)	(5.50)	(4.02)	(5.66)
– Diluted (cents per share)	21	(3.45)	–	(3.63)	–

Notes to the financial statements are included on pages 15 to 31.

Statement of Financial Position

as at 30 June 2001

	Note	Consolidated		Company	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Current Assets					
Cash assets		126	128	75	115
Receivables	8	243	463	173	400
Inventories	9	3	7	–	–
Other financial assets	10	13,081	1,050	13,081	1,107
Total Current Assets		13,453	1,648	13,329	1,622
Non-Current Assets					
Investments	11	–	–	–	–
Property, plant and equipment	12	383	76	383	76
Intangibles	13	2,855	3,036	2,855	3,036
Total Non-Current Assets		3,238	3,112	3,238	3,112
Total Assets		16,691	4,760	16,567	4,734
Current Liabilities					
Payables	14	301	329	287	322
Interest-bearing liabilities	15	–	1,000	2	1,000
Provisions	16	81	47	81	47
Other	17	115	–	115	–
Total Current Liabilities		497	1,376	485	1,369
Total Liabilities		497	1,376	485	1,369
Net Assets		16,194	3,384	16,082	3,365
Equity					
Contributed equity	19	21,415	6,627	21,415	6,627
Retained profits	20	(5,221)	(3,243)	(5,333)	(3,262)
Total Equity		16,194	3,384	16,082	3,365

Notes to the financial statements are included on pages 15 to 31.

Statement of Cash Flows

for the financial year ended 30 June 2001

	Note	Consolidated		Company	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Cash Flows From Operating Activities					
Receipts from customers		385	532	188	297
Payments to suppliers and employees		(2,557)	(1,574)	(2,395)	(1,343)
Interest and bill discounts received		733	65	730	65
Net cash provided by operating activities	26(c)	(1,439)	(977)	(1,477)	(981)
Cash Flows From Investing Activities					
Payment for investment securities		(12,030)	(930)	(12,030)	(930)
Payment for property, plant and equipment		(378)	(64)	(378)	(64)
Net cash provided by/(used in) investing activities		(12,408)	(994)	(12,408)	(994)
Cash Flows From Financing Activities					
Proceeds from issues of equity securities		15,000	1,000	15,000	1,000
Payment for share issue costs		(1,155)	(96)	(1,155)	(96)
Loans issued		–	(6)	–	(1)
Proceeds from issue of convertible notes		–	1,000	–	1,000
Net cash provided by/(used in) financing activities		13,845	1,898	13,845	1,903
Net Increase In Cash Held		(2)	(73)	(40)	(72)
Cash at the beginning of the Financial Year		128	201	115	187
Cash at the end of the Financial Year	26(a)	126	128	75	115

Notes to the financial statements are included on pages 15 to 31.

Notes to the Financial Statements

for the financial year ended 30 June 2001

1. Summary of Accounting Policies

Financial Reporting Framework

The financial report is a general purpose financial report that has been prepared in accordance with the Corporations Act 2001, applicable Accounting Standards and Urgent Issues Group Consensus Views, and complies with other requirements of the law.

The financial report has been prepared on the basis of historical cost and except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Significant Accounting Policies

Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Accounts Payable

Trade payables and other accounts payable are recognised when the economic entity becomes obliged to make future payments resulting from the purchase of goods and services.

(b) Acquisition of Assets

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

In the event that settlement of all or part of the cash consideration given in the acquisition of an asset is deferred, the fair value of the purchase consideration is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

(c) Comparative Amounts

The economic entity has adopted the presentation and disclosure requirements of Accounting Standards AASB 1018 'Statement of Financial Performance', AASB 1034 'Financial Report Presentation and Disclosure' and AASB 1040 'Statement of Financial Position' for the first time in the preparation of this financial report. In accordance with the requirements of these new/revised Standards, comparative amounts have been reclassified in order to comply with the new presentation format. The reclassification of comparative amounts has not resulted in a change to the aggregate amounts of current assets, non-current assets, current liabilities, non-current liabilities or equity, or the net loss of the company or economic entity as reported in the prior year financial report.

(d) Depreciation

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land and investment properties. Depreciation is calculated on a reducing balance basis so as to write off the net cost or other revalued amount of each asset over its expected useful life. The following estimated useful lives are used in the calculation of depreciation:

- Plant and equipment 2 – 5 years

(e) Employee Entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of wages and salaries, annual leave and other employee entitlements expected to be settled within 12 months, are measured at their nominal values.

Provisions made in respect of other employee entitlements that are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the economic entity in respect of services provided by employees up to the reporting date.

(f) Financial Instruments Issued by the Company

Debt and Equity Instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Transaction Costs on the Issue of Equity Instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and Dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

Notes to the Financial Statements

for the financial year ended 30 June 2001

(g) Foreign Currency

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at that date.

Exchange differences are recognised in the profit and loss in the period in which they arise except that:

- exchange differences which relate to assets under construction for future productive use are included in the cost of those assets; and
- exchange differences on transactions entered into in order to hedge the purchase or sale of specific goods and services are deferred and included in the measurement of the purchase or sale.
- exchange differences relating to foreign currency monetary items forming part of the net investment in a self-sustaining foreign operation are transferred on consolidation to the foreign currency translation reserve.

Financial statements of self-sustaining foreign controlled entities are translated at reporting date using the current rate method and exchange differences are taken directly to the foreign currency translation reserve.

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

(i) Intangibles

Intellectual property is amortised on a straight-line basis over a period of 20 years.

(j) Income Tax

Tax-effect accounting principles are adopted whereby income tax expense is calculated on pre-tax accounting profits after adjustment for permanent differences. The tax-effect of timing differences, which occur when items are included or allowed for income tax purposes in a period different to that for accounting, is shown at current taxation rates in provision for deferred income tax and future income tax benefit, as applicable.

(k) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a weighted average basis.

(l) Investments

Investments in controlled entities are recorded at cost.

Other investments are recorded at cost.

Dividend revenue is recognised on a receivable basis. Interest revenue is recognised on an accrual basis.

(m) Leased Assets

Leased assets classified as finance leases are capitalised as fixed assets. The amount initially brought to account is the present value of minimum lease payments.

A finance lease is one that effectively transfers from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased property.

Capitalised leased assets are amortised on a straight-line basis over the estimated useful life of the asset.

Finance lease payments are allocated between interest expense and reduction of lease liability over the term of the lease. The interest expense is determined by applying the interest rate implicit in the lease to the outstanding lease liability at the beginning of each lease payment period.

Operating lease payments are recognised as an expense on a basis that reflects the pattern in which economic benefits from the leased asset are consumed.

Lease Incentives

In the event that lease incentives are received to enter into non-cancellable operating leases, such incentives are recognised as a liability. Lease payments are allocated between rental expenses, reduction of the liability and, where appropriate, interest expense over the term of the lease.

Notes to the Financial Statements

for the financial year ended 30 June 2001

(n) Principles of Consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the economic entity, being the company (the parent entity) and its controlled entities as defined in accounting standard AASB 1024 'Consolidated Accounts'. A list of controlled entities appears in note 23 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each controlled entity from the date on which the company obtains control and until such time as the company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the economic entity are eliminated in full.

(o) Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts.

Bills of exchange are recorded at cost, with revenue recognised on an effective yield basis.

(p) Recoverable Amount of Non-Current Assets

Non-current assets are written down to recoverable amount where the carrying value of any non-current asset exceeds recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows have been discounted to their present value.

(q) Research and Development Costs

Research and development costs are recognised as an expense when incurred.

(r) Revenue Recognition

Sale of Goods and Disposal of Assets

Revenue from the sale of goods and disposal of other assets is recognised when the economic entity has passed control of the goods or other assets to the buyer.

Rendering of Services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

Notes to the Financial Statements

for the financial year ended 30 June 2001

	Consolidated		Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
2. Loss From Ordinary Activities				
Loss from ordinary activities before income tax includes the following items of revenue and expense:				
(a) Operating Revenue				
Sales revenue:				
Sale of goods	378	251	–	–
Rental revenue:				
Operating lease rental revenue	11	–	11	–
Other revenue				
Government Grant	31	297	31	297
License and management fees	–	–	181	158
Freight income	8	6	–	–
Interest revenue:				
Other entities	733	65	730	65
	1,161	619	953	520
(b) Expenses				
Cost of sales	86	61	–	–
Net bad and doubtful debts arising from:				
Other entities	20	–	–	–
Depreciation of non-current assets:				
Property, plant and equipment	72	12	72	12
Amortisation of non-current assets:				
Other intangibles	181	180	181	180
Net transfers to provisions:				
Other – Employee	24	25	24	25
– Lease Incentive	10	–	10	–
	34	25	34	25
Operating lease rental expenses:				
Minimum lease payments	252	23	252	23

Notes to the Financial Statements

for the financial year ended 30 June 2001

	Consolidated		Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
3. Income Tax				
(a) The prima facie income tax benefit on pre-tax accounting loss reconciles to the income tax expense in the financial statements as follows:				
Loss from Ordinary Activities	(1,978)	(1,133)	(2,071)	(1,166)
Income tax benefit calculated at 34% (2000: 36%) of operating loss	(672)	(408)	(704)	(420)
Permanent Differences:				
Amortisation of intangible assets	61	65	61	65
Non-deductible expenses	26	–	26	–
Timing differences and tax losses not brought to account as future income tax benefits ¹	585	343	617	355
Income tax attributable to operating loss	–	–	–	–
(b) Future income tax benefits not brought to account as assets:				
Tax losses – revenue	480	871	507	871

Notes

The taxation benefits of tax losses and timing differences not brought to account will only be obtained if:

- 1 assessable income is derived of a nature and of amount sufficient to enable the benefit from the deductions to be realised;
- 2 conditions for deductibility imposed by the law are complied with; and
- 3 no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

4. Directors' Remuneration

The Directors of Sirtex Medical Limited during the year were:

- C G Roberts
- C N Sutton
- B N Gray
- M Panaccio

	Consolidated		Company	
	2001 \$	2000 \$	2001 \$	2000 \$
The aggregate of income paid or payable, or otherwise made available, in respect of the financial year, to all Directors of the company, directly or indirectly, by the company or by any related party			415,900	257,979
The aggregate of income paid or payable, or otherwise made available, in respect of the financial year, to all Directors of each entity in the economic entity, directly or indirectly, by the entities in which they are Directors or by any related party	415,900	257,979		

Notes to the Financial Statements

for the financial year ended 30 June 2001

4. Directors' Remuneration (cont'd)

	2001 No.	2000 No.
The number of Directors of the company whose total income falls within each successive \$10,000 band of income (<i>commencing at \$0</i>):		
\$0 – \$9,999	–	4
\$10,000 – \$19,999	–	2
\$20,000 – \$29,999	1	–
\$40,000 – \$49,999	1	–
\$50,000 – \$59,999	–	1
\$150,000 – \$159,999	1	1
\$200,000 – \$209,999	1	–

5. Executives' Remuneration

	Consolidated		Company	
	2001 \$	2000 \$	2001 \$	2000 \$
Aggregate remuneration of executive officers of the economic entity and the company working mainly in Australia and receiving \$100,000 or more from the company or from any related party				
	350,000	155,364	350,000	155,364

	2001 No.	2000 No.	2001 No.	2000 No.
The number of executives of the company whose total income falls within each successive \$10,000 band of income (<i>commencing at \$100,000</i>):				
\$150,000 – \$159,999	1	1	1	1
\$200,000 – \$209,999	1	–	1	–

6. Executive And Employee Share Option Plan

Sirtex Medical Limited has in place an employee share option plan.

Under the terms of the plan the Board may, at its absolute discretion, declare that an employee or executive of the company is an eligible employee and declare that any other person is eligible to participate in the plan.

The Board has absolute discretion over the number of options offered to an eligible person subject to the condition that the total number of unexercised options granted under the plan plus any shares which have been issued on the exercise of the options granted under this plan during the preceding five years shall not exceed 5 percent of the total number of issued shares of the company at the date of issue of any option.

The exercise price is subject to the discretion of the Board and shall be equal to or greater than the market price on the grant date.

Eligible employees will only be eligible to exercise the option whilst in the employment of the company.

The difference between the total market value of options issued during a financial year, at the date of issue, and the total amount received from executives and employees is not recognised in the financial statements except for the purposes of determining Directors' and executives' remuneration in respect of that financial year as disclosed in notes 4 and 5 to the financial statements.

Notes to the Financial Statements

for the financial year ended 30 June 2001

	Consolidated		Company	
	2001	2000	2001	2000
	\$	\$	\$	\$

7. Remuneration of Auditors

Auditor of the Parent Entity

Auditing the financial report	22,000	18,851	22,000	17,101
Other services	10,650	–	10,650	–
	32,650	18,851	32,650	17,101

	Consolidated		Company	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000

8. Current Receivables

Trade receivables	96	63	9	–
Allowance for doubtful debts	(20)	–	–	–
	76	63	9	–
Goods and Services Tax (GST) recoverable	116	–	113	–
Deferred float costs	–	301	–	301
Other receivables and prepayments	51	99	51	99
	243	463	173	400

9. Current Inventories

Finished goods				
At cost	3	7	–	–

10. Other Current Financial Assets

At cost:

Bills accepted or endorsed by banks	13,000	1,050	13,000	1,050
Term deposits	81	–	81	–

Non-trade receivables from:

Wholly-owned controlled entities	–	–	–	57
	13,081	1,050	13,081	1,107

11. Non-Current Investments

At cost:

Shares in wholly-owned controlled entities	–	–	–	–
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Notes to the Financial Statements

for the financial year ended 30 June 2001

12. Property, Plant and Equipment

	Company and Consolidated	
	Plant and Equipment	
	\$'000	
Gross Carrying Amount		
Balance at 30 June 2000		101
Additions		379
Disposals		–
Balance at 30 June 2001		480
Accumulated Depreciation / Amortisation		
Balance at 30 June 2000		25
Disposals		–
Depreciation expense		72
Balance at 30 June 2001		97
Net Book Value		
As at 30 June 2000		76
As at 30 June 2001		383

	Company and Consolidated	
	2001	2000
	\$'000	\$'000
Aggregate depreciation allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year:		
Plant and equipment	72	12

	Consolidated		Company	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
13. Intangibles				
Intellectual Property	3,607	3,607	3,607	3,607
Accumulated amortisation	(752)	(571)	(752)	(571)
	2,855	3,036	2,855	3,036

Aggregate amortisation allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year of patents, trademarks and licences				
	181	180	181	180

14. Current Payables

Trade payables	103	10	93	7
Goods and Services Tax (GST) payable	2	–	2	–
Accrued float costs	–	301	–	301
Other payables	170	18	166	14
Non-trade payable to Directors and director-related entities	26	–	26	–
	301	329	287	322

Notes to the Financial Statements

for the financial year ended 30 June 2001

	Consolidated		Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000

15. Current Interest-Bearing Liabilities

Unsecured:

Non-trade payables:

Convertible notes	–	1,000	–	1,000
Wholly-owned controlled entities	–	–	2	–
	–	1,000	2	1,000

16. Current Provisions

Employee entitlements (note 18)	71	47	71	47
Lease incentive (note 22)	10	–	10	–
	81	47	81	47

17. Other Current Liabilities

Interest in advance	115	–	115	–
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18. Employee Entitlements

The aggregate employee entitlement liability recognised and included in the financial statements is as follows:

Provision for employee entitlements:

Current (note 16)	71	47	71	47
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	2001 No.	2000 No.	2001 No.	2000 No.
Number of employees at end of financial year	15	14	15	14

	Consolidated		Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000

19. Contributed Equity

Contributed Equity

0 fully paid A ordinary shares (2000: 1,028,334)	–	2,057	–	2,057
0 fully paid B ordinary shares (2000: 804,997)	–	1,570	–	1,570
0 A convertible participating redeemable preference shares (2000: 1,499,999)	–	3,000	–	3,000
0 C convertible participating redeemable preference shares (2000: 1)	–	–	–	–
54,000,000 ordinary shares (2000:0)	22,666	–	22,666	–
Share issue costs	(1,251)	–	(1,251)	–
	21,415	6,627	21,415	6,627

Notes to the Financial Statements

for the financial year ended 30 June 2001

19. Contributed Equity (cont'd)

	2001		2000	
	No. '000	\$'000	No. '000	\$'000
Fully Paid Ordinary Share Capital				
Class A Ordinary Shares				
Balance at beginning of financial year	1,028	2,057	1,028	2,057
Converted to ordinary shares	(1,028)	(2,057)	–	–
Balance at end of financial year	–	–	1,028	2,057
Class B Ordinary Shares				
Balance at beginning of financial year	805	1,570	805	1,570
Converted to ordinary shares	(805)	(1,570)	–	–
Balance at end of financial year	–	–	805	1,570
Class A Redeemable Preference Shares				
Balance at beginning of financial year	1,500	3,000	1,000	2,000
Issue of shares to raise working capital	–	–	500	1,000
Converted to ordinary shares	(1,500)	(3,000)	–	–
Balance at end of financial year	–	–	1,500	3,000
Class C Redeemable Preference Shares				
Balance at beginning of financial year	–	–	–	–
Converted to ordinary shares	–	–	–	–
Balance at end of financial year	–	–	–	–
Deferred Shares				
Balance at beginning of financial year	–	–	–	–
Converted from ordinary shares	450	–	–	–
Cancelled for no consideration	(450)	–	–	–
Balance at end of financial year	–	–	–	–
Ordinary Shares				
Balance at beginning of financial year	–	–	–	–
Converted to ordinary shares	3,333	6,627	–	–
Converted to deferred shares	(450)	–	–	–
Issue to B Gray for nil consideration	450	–	–	–
Issue to B Gray in lieu of salary	14	39	–	–
Share split (1:11.225646)	34,224	–	–	–
Conversion of convertible notes	1,429	1,000	–	–
Issue of shares upon ASX listing	15,000	15,000	–	–
Balance at end of financial year	54,000	22,666	–	–

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Share Options

Further details of the executive and employee share option plan are contained in note 6 to the financial statements.

Notes to the Financial Statements

for the financial year ended 30 June 2001

	Consolidated		Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000

20. Retained Profits

Balance at beginning of financial year	(3,243)	(2,110)	(3,262)	(2,096)
Net loss	(1,978)	(1,133)	(2,071)	(1,166)
Balance at end of financial year	(5,221)	(3,243)	(5,333)	(3,262)

21. Earnings Per Share

	2001 Cents per Share	2000 Cents per Share
Basic earnings per share	(3.84)	(5.50)
Diluted earnings per share	(3.45)	N/A

	2001 No. '000	2000 No. '000
The weighted average number of ordinary shares on issue during the financial year used in the calculation of basic earnings per share	51,547	20,580

	Consolidated		Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000

22. Leases

Operating Leases

Leasing arrangements

Operating leases relate to a warehouse facility with a lease term of 3 years, with an option to extend for a further 3 years. All operating lease contracts contain market review clauses in the event that the economic entity exercises its option to renew. The economic entity does not have an option to purchase the leased asset at the expiry of the lease period.

Non-cancellable operating leases

Not longer than 1 year	228	50	228	50
Longer than 1 year and not longer than 5 years	285	–	285	–
Longer than 5 years	–	–	–	–
	513	50	513	50

In respect of non-cancellable operating leases the following provisions have been recognised:

Current provisions (note 16)

Lease incentives	10	–	10	–
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Operating Leases

Leasing arrangements

Sirtex Medical Limited subleases a portion of the warehouse facility to another entity. This lease is on a month-to-month basis.

Notes to the Financial Statements

for the financial year ended 30 June 2001

23. Controlled Entities

Name of Entity	Country of Incorporation	Ownership Interest	
		2001 %	2000 %
Parent Entity			
Sirtex Medical Limited	Australia		
Controlled Entities			
Sirtex Medical Products Pty Ltd	Australia	100	100
Sirtex Medical Inc	USA	100	–

Sirtex Medical Inc was incorporated on May 30, 2001.

24. Segment Information

The economic entity operates predominately in one geographical area being Australia and one segment being the medical industry

25. Related Party Disclosures

(a) Equity Interests In Related Parties

Equity Interests in Controlled Entities

Details of the percentage of ordinary shares held in controlled entities are disclosed in note 23 to the financial statements.

(b) Directors' Remuneration

A detail of Directors' remuneration is disclosed in note 4 to the financial statements.

	Fully Paid	
	2001	2000
(c) Directors' Equity Holdings		
Ordinary Shares		
Issued during the financial year to Directors and their director-related entities by:		
Sirtex Medical Limited		
Issued during the financial year to Directors and their director-related entities as a result of a share split (1:11.225646)		
	849,007	–
	17,567,680	–
Redeemed, exercised or bought back during the financial year from Directors and their director-related entities by:		
Sirtex Medical Limited		
	–	–
Held as at the reporting date by Directors and their director-related entities in:		
Sirtex Medical Limited	19,698,283	1,281,596

Notes to the Financial Statements

for the financial year ended 30 June 2001

(c) Directors' Equity Holdings (cont'd)

	Executive Share Options	
	2001	2000
Other Equity Instruments		
Executive Share Options		
Issued during the financial year to Directors and their director-related entities by:		
Sirtex Medical Limited	1,510,000	–
Redeemed, exercised or bought back during the financial year from Directors and their director-related entities by:		
Sirtex Medical Limited	–	–
Held as at the reporting date by Directors and their director-related entities by:		
Sirtex Medical Limited	1,510,000	–

All ordinary shares and executive share options issued to the Directors during the financial year were made in accordance with the provisions of the executive share option plan. Further details of the executive share option plan are contained in the Directors' report and note 6 to the financial statements.

(d) Other Transactions with Directors

During the financial year Sirtex Medical Limited sub-leased premises, on a month-to-month basis, at cost to a director.

(e) Transactions Within the Wholly-Owned Group

The wholly-owned group includes:

- the ultimate parent entity in the wholly-owned group; and
- wholly-owned controlled entities.

The ultimate parent entity in the wholly owned group is Sirtex Medical Limited.

Amounts receivable from and payable to entities in the wholly owned group are disclosed in the notes to the financial statements.

During the financial year Sirtex Medical Limited provided management services, on normal commercial terms and conditions, to entities in the wholly owned group.

(f) Controlling Entities

The parent entity in the economic entity is Sirtex Medical Limited.

The ultimate parent entity is Sirtex Medical Limited.

	Consolidated		Company	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000

26. Notes To The Statement Of Cash Flows

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash	126	128	75	115
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(b) Cash Balances Not Available for Use

Term deposit as guarantee of \$81,050

Notes to the Financial Statements

for the financial year ended 30 June 2001

	Consolidated		Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
26. Notes To The Statement Of Cash Flows (Cont'd)				
(c) Reconciliation of Loss From Ordinary Activities After Related Income Tax to Net Cash Flows From Operating Activities				
Loss from ordinary activities after related income tax	(1,978)	(1,133)	(2,071)	(1,166)
Issuance of shares in settlement of salary and wages	39	–	39	–
Depreciation and amortisation of non-current assets	253	192	253	192
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:				
(Increase)/decrease in assets:				
current receivables	(13)	(21)	(9)	–
current inventories	4	–	–	–
other current assets	(166)	(4)	(104)	(3)
Increase/(decrease) in liabilities:				
current trade payables	93	(36)	86	(29)
other current liabilities	329	25	329	25
Net cash from operating activities	(1,439)	(977)	(1,477)	(981)

(d) Non-Cash Financing and Investing Activities

Convertible notes of \$1,000,000 were converted to 1,428,571 fully paid ordinary shares during the financial year.

27. Financial Instruments

(a) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(b) Interest Rate Risk

The following table details the economic entity's exposure to interest rate risk as at the 30 June 2001:

2001	Average Interest Rate %	Variable Interest Rate \$'000	Fixed Interest Rate Maturity			Non-Interest Bearing \$'000	Total \$'000
			Less than 1 Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000		
Financial Assets							
Cash	3.9	126	–	–	–	–	126
Term deposit	4.5	81	–	–	–	–	81
Trade receivables	–	–	–	–	–	96	96
Bills of exchange	4.8	13,000	–	–	–	–	13,000
Other receivables	–	–	–	–	–	167	167
		13,207	–	–	–	263	13,470
Financial Liabilities							
Trade payables	–	–	–	–	–	103	103
Other payables	–	–	–	–	–	172	172
Lease Incentive	–	–	–	–	–	10	10
Employee entitlements	–	–	–	–	–	71	71
		–	–	–	–	356	356

Notes to the Financial Statements

for the financial year ended 30 June 2001

(b) Interest Rate Risk (Cont'd)

The following table details the economic entity's exposure to interest rate risk as at the 30 June 2000:

2000	Average Interest Rate %	Variable Interest Rate \$'000	Fixed Interest Rate Maturity			Non-Interest Bearing \$'000	Total \$'000
			Less than 1 Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000		
Financial Assets							
Cash	0.0	128	–	–	–	–	128
Trade receivables	–	–	–	–	–	63	63
Bills of exchange	5.2	1,050	–	–	–	–	1,050
Other receivables	–	–	–	–	–	401	401
		1,178	–	–	–	464	1,642
Financial Liabilities							
Trade payables	–	–	–	–	–	10	10
Other payables	–	–	–	–	–	18	18
Convertible notes	–	–	–	–	–	1,000	1,000
Employee entitlements	–	–	–	–	–	47	47
		–	–	–	–	1,075	1,075

(c) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the economic entity. The economic entity has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The economic entity measures credit risk on a fair value basis.

The economic entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the economic entity's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

(d) Net Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in note 1 to the financial statements.

28. Additional Company Information

Sirtex Medical Limited is a listed public company, incorporated and operating in Australia.

Principal Registered Office

Unit D4, 25-27 Paul St North
North Ryde NSW 2113

Principal Place of Business

Unit D4, 25-27 Paul St North
North Ryde NSW 2113

Additional Stock Exchange Information

as at 16 August 2001

Number of Holders of Equity Securities

Ordinary Share Capital

- 54,000,000

All issued ordinary shares carry one vote per share, however, partly paid shares do not carry the right to dividends.

Distribution of Holders of Equity Securities

	Fully Paid Ordinary Shares
1 – 1,000	295
1,001 – 5,000	485
5,001 – 10,000	126
10,001 – 100,000	160
100,001 and over	36
	1,102
Holdings less than a marketable parcel	133

Substantial Shareholders

	Fully Paid	
	Number	Percentage
Ordinary Shareholders		
B N Gray	19,438,283	35.997
NJI No2 Investment Fund	8,786,928	16.272
Cancer Research Institute	4,864,432	9.008
National Nominees Ltd	3,169,131	5.869
	36,258,774	67.146

Twenty Largest Holders of Quoted Equity Securities

	Fully Paid	
	Number	Percentage
B N Gray	19,438,283	35.997
NJI No 2 Investment Fund	8,786,928	16.272
Cancer Research Institute	4,864,432	9.008
National Nominees Limited	3,169,131	5.869
S K Jones	1,122,565	2.079
Citicorp Nominees Pty Limited	900,000	1.667
Eagle Securities Limited	650,000	1.204
Chase Manhattan Nominees	635,287	1.176
Permanent Nominees (Aust)	500,000	0.926
Erik Adriaanse	500,000	0.926
ECAT Development Capital	500,000	0.926
Pine Ridge Holdings Pty Ltd	460,000	0.852
Pacific Development Capital	450,000	0.833
JP Morgan Custodial Services	410,000	0.759
Henley Capital Pty Ltd	255,400	0.473
City and Westminster Limited	250,000	0.463
Pacific Securities Inc	250,000	0.463
HGL Group Pty Limited	214,286	0.397
Bannaby Investments Pty Ltd	210,000	0.389
Invia Custodian Pty Limited	206,150	0.382



Additional Stock Exchange Information

as at 16 August 2001

Company Secretary

Peter Manley

Principal Registered Office

Unit D4, 25-27 Paul St North,
North Ryde NSW 2113

Principal Administration Office

Unit D4, 25-27 Paul St North,
North Ryde NSW 2113

Share Registry

Registries Limited
Level 2
28 Margaret Street
Sydney NSW 2000

Stock Exchange Listings

Sirtex Medical Limited's ordinary shares are quoted by the Australian Stock Exchange Ltd (ASX:SRX).



Corporate Directory

Head Office

Unit D4, 25-27 Paul St North
North Ryde NSW 2113

Board of Directors

Dr Chris Roberts

Chairman

Dr Colin Sutton

Chief Executive Officer

Dr Bruce Gray

Medical Director

Dr Michael Panaccio

Non-Executive Director

Solicitors

Freehill, Hollingdale and Page

MLC Centre

Martin Place

Sydney NSW 2000

Auditors and Independent**Accountants**

Deloitte Touche Tohmatsu

The Barrington

Level 10, 10 Smith Street

Parramatta NSW 2124

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MEDICAL

INNOVATORS IN ONCOLOGY