Australian Securities & Investments Commission

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Form 388
Corporations Act 2001
294, 295, 298-300, 307, 308, 319, 321, 322
Corporations Regulations
1.0.08

Copy of financial statements and reports

Company details

Company name

GLYCEMIC INDEX LIMITED

ACN

096 268 147

Reason for lodgement of statement and reports

A public company or a disclosing entity which is not a registered scheme or prescribed interest undertaking

Dates on which financial year ends

Financial year end date
30-06-2010

Auditor's report

Were the financial statements audited?

Yes

Reasons for the auditor not being satisfied as to the matters referred to in s307?

No

Details of the deficiency, failure or shortcoming concerning any matter referred to in s307?

No

Details of current auditor or auditors

Current auditor

Date of appointment **05-06-2002**

Name of auditor

ERNST & YOUNG

Address

680 GEORGE STREET
SYDNEY NSW 2000

Certification

I certify that the attached documents are a true copy of the original reports required to be lodged under section 319 of the Corporations Act 2001.

Yes

Signature

Select the capacity in which you are lodging the form

Secretary

I certify that the information in this form is true and complete and that I am lodging these reports as, or on behalf of, the company.

Yes

Authentication

This form has been submitted by

Name	William Cameron BONNEY
Date	16-12-2010

For help or more information

Telephone	1300 300 630
Email	info.enquiries@asic.gov.au
Web	www.asic.gov.au

GLYCEMIC INDEX LIMITED

DIRECTORS REPORT

Your Directors are pleased to submit their report for the year ended 30th June 2010.

Directors

The names of the Company's Directors in office for the full financial year and until the date of this report are as follows.

Dr Alan Barclay PhD BSc Grad. Dip. (Dietetics)
Mr Robert Barry BComm FCPA FAICD
Mr William Bonney, MMgt, FAICD
Prof Jannette Brand-Miller, PhD, FAIST
Mr Michael Good, BCA, F.Fin, MAICD
Mr Stephen Higgs, B.Ec
Ms Stephanie Martin BA MBA(Hons)
Mr Michael Wilson, B.Ec (Hons), B.Sc

No Director had any pecuniary interest in the affairs of the Company during the period.

CORPORATE INFORMATION

Corporate Structure

Glycemic Index Limited is a Company limited by guarantee and domiciled in New South Wales with its registered office and principal place of business at Level 4. 80-84 Chandos Street, St Leonards, NSW 2065. Members as at 30 June 2010 were the Juvenile Diabetes Research Foundation and the University of Sydney. Glycemic Index Limited is a non-profit organisation.

Principal Activity

The principal activity of the Company during the course of the financial year was that of a non-profit organisation involved in research into the Glycemic Index of foods and the licensing of the Glycemic Index label.

Employees

As at 30 June 2010, the Company has no employees (2009: Nil employees).

Presentation Currency

The presentation currency used is Australian dollars.

Members Guarantee

The Company is a public company limited by guarantee that is incorporated and domiciled in Australia. In the event that the Company is wound up, its Constitution states that the members are required to contribute a maximum of $100 each towards meeting any outstanding obligations of the Company.

At 30 June 2010 the number of members was 2 (2009: 2 members).

Information on Directors and Company Secretary

Directors' Qualifications and Special Responsibilities	Experience
Chairman **Stephen Higgs**, BEc	Director, Primary Health Care Ltd. Director, Peet and Company Ltd. Chairman, Glycemic Index Ltd. Past Chairman, Orlando Wines. Past Director, Austoft Pty, Jasco Pty Ltd, NPL Ltd, Leigh Mardon Pty Ltd, Rural Press Ltd and UBS Warburg, IPAC Securities Ltd. and So Natural Foods Ltd.

Directors' Qualifications and Special Responsibilities	Experience
Director and Company Secretary **William Bonney,** MMgt, FAICD	Chief Operations Officer and Company Secretary of JDRF Fellow of the Australian Institute of Company Directors. Director of the Stanford Australia Limited. Past Company Secretary of Centrogen Holdings Ltd. Past Director & Company Secretary of Woomera Systems P/L.
Director and President **Professor Janette Brand-Miller,** PhD, FAIST, FNSA	Professor of Human Nutrition, University of Sydney. Chairman, National Committee on Nutrition, Australian Academy of Science. Past President, Nutrition Society of Australia. Past Chairman of Glycemic Index Ltd. Author of 200+ scientific publications about nutrition, carbohydrates, the glycemic index, diabetes and weight control. Best-selling author of the 'New Glucose Revolution' book series.
Director **Dr Alan Barclay,** PhD, B Sc, Grad. Dip. (Dietetics)	Head of Research, Australian Diabetes Council. Media Spokesperson, Dietitians Association of Australia. Co-author of the New Glucose Revolution: Diabetes & Pre-diabetes Handbook.
Director **Robert Barry,** B Com, FCPA, FAICD *[Appointed 12/06/2009]*	Chairman, Pengana Holdings Pty Ltd. Director, Uniseed Management Pty Ltd. Co-Founder of the Dominguez and Barry Group and past CEO of Dominguez Barry Samuel Montagu. Past Deputy Chairman, Queens Trust for Young Australians and AWB Limited. Past Chairman of Snowy Hydro Ltd.
Director **Michael Good,** F.Fin, MAICD, BCA	Director, Commercial Subsidiaries - The University of Sydney, Sport Knowledge Australia P/L, Bandwidth Foundry International P/L, Sydney Institute of Health and Medical Research, Sydney Talent P/L, Acumine P/L and NuFlora International P/L
Director **Stephanie Martin,** BA, MBA (Hons)	CEO of Glycemic Index Ltd. Past CEO & Director of Bridal Bootcamp Ltd. Past consultant, McKinsey & Co.
Director **Mike Wilson,** B.Ec (Hons), B.Sc	Chief Executive Officer of JDRF Managing Director Designate of JDRF

REVIEW AND RESULTS OF OPERATIONS

Review of Operations

The strategic objectives of Glycemic Index Ltd as approved by the Board of Directors in FY2009 are to grow and protect the GI symbol program; grow and protect the GI testing business and strengthen the organisational foundation.

Growth of the GI symbol program requires ongoing education of consumers in the GI concept and logo credibility to grow consumer demand for more food manufacturers to use the logo. In FY2010 Glycemic Index Ltd carried out a brand revitalization project, starting with the redesigning and relaunching of the GI logo and the GI Symbol which can now be found on supermarket shelves. The branding revitalisation included a public relations campaign in lifestyle media; health, trade and specialist media; and a TV commercial starring Ian Thorpe running on SBS.

The GI Challenge was soft-launched this year with the first GI Challenge taking place in early 2011. A number of large Australian companies have signed up to take the challenge for staff to lose the most weight by eating low GI diets. This program will drive customer understanding of the GI concept and making healthier carbohydrate choices, while demonstrating some of the health benefits gained from a low GI diet.

Business development continued throughout the year in tandem with the re-branding activities. Many of our larger symbol licensees renewed their contracts and a number of new licensees joined the program.

In these early days of brand revitalisation and marketing re-positioning, performance is being measured in financial terms vis-à-vis the annual budget prepared in the knowledge of the non-core activities being carried out this year. Future year measurement will include the number and value of licensees.

Glycemic index research continues to add to the growing body of evidence of the health benefits gained through a low GI diet. Importantly, the company is working with food manufacturers to lower the glycemic index of staple food products such as bread, pasta, rice, sugar and white potatoes for the benefit of consumers.

Result of Operations
The Operating Surplus for the year ended 30 June 2010 amounted to $46,442 (2009: Surplus $117,929).

Income and Expenditure
Total operating revenue for the year amounted to $480,722, an increase of 11.8% from $429,990 in 2009. Total expenditure amounted to $434,280 in 2010, an increase of 39% from $312,061 in 2009.

Capital Expenditure
Total capital expenditure was $10,760, an increase of $745 over 2009. This consisted of computer equipment and intangibles such as software. (2009: $10,015).

Significant Changes in the State of Affairs
An agreement has been drafted between the University of Sydney and Juvenile Diabetes Research Foundation that the University will continue to provide GI-related research in return for a royalty fee computed as 10% of gross revenue from the GI Symbol program. This agreement was drafted in 2009 and was not yet finalised on 30 June 2010.

Significant Events after the Balance Date
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Likely Developments and Expected Results
There are no likely developments in the operations of the Company which are not finalised at the date of this report, which may materially affect the operations in the financial year and years subsequent to this financial year.

Environmental Regulations
No environmental regulations specifically apply to the Company.

Director's Benefits
In accordance with the Company's Memorandum and Articles of Association, during the financial year 2 Directors have received benefits as Consultants to the organisation.

Indemnification and Insurance of Directors and Officers
All the Directors and Officers of the Company are indemnified from personal liability for wrongful acts committed in the course of duties and against consequences of managerial misconduct or negligence. The disclosure of the details is prohibited by the insurance contract.

Directors Meetings
During the year four Directors' meetings were held. The number of meetings at which the Directors were in attendance is as follows:

	No. of Meetings held while in office	Meetings attended
Barclay, Dr. Alan	4	4
Barry, Robert	4	3
Bonney, William	4	4
Brand-Miller, Janette	4	4
Good, Michael	4	4
Higgs, Stephen	4	4
Martin, Stephanie	4	4
Wilson, Michael	4	4

Auditor Independence
The Directors received an independence declaration from the auditors, Ernst & Young. This declaration is included in the financial report following the auditor's report on the financial report. No non-audit services were provided by Ernst & Young during the year.

Signed in accordance with a resolution of the Directors

William Bonney
Director / Company Secretary

Sydney Date: 8 DEC. 2010

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Sydney NSW 2000 Australia
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Auditor's Independence Declaration to the Directors of Glycemic Index Limited

In relation to our audit of the financial report of Glycemic Index Limited for the financial year ended 30 June 2010, 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.

Ernst & Young

Ernst & Young

E A Lang

E. A. Lang
Partner
Date: 8 December 2010

Statement of Comprehensive Income
For the year ended 30 June 2010

	Notes	30 June 2010	30 June 2009
Continuing Operations			
License Fees		**326,440**	405,644
Interest		**26,952**	24,346
Reimbursements		**30,000**	-
Donations		**950**	-
In-Kind Revenue		**96,380**	-
Revenue		**480,722**	429,990
Royalty Fee		**(32,404)**	(40,564)
Consulting Fees		**(203,499)**	(152,462)
Employee Benefit Expenses		**-**	(55,983)
Web Site		**(2,243)**	(1,251)
Insurance		**(3,722)**	(3,953)
Other Expenses	4	**(192,412)**	(57,848)
Surplus from Continuing Operations		**46,442**	117,929
Other Comprehensive Income		-	-
Other Comprehensive Income - Net of Tax		-	-
Total Comprehensive Income Attributable to Members		**46,442**	117,929

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position
As at 30 June 2010

	Notes	30 June 2010	30 June 2009
Current Assets			
Cash at Bank		**764,663**	586,742
Receivables	5	**105,419**	151,264
Prepayments		**2,181**	4,482
Other Debtors		**30,050**	50
Total Current Assets		**902,313**	742,538
Non Current Assets			
Property Plant & Equipment	8	**1,429**	2,855
Intangibles	8	**2,868**	4,590
Total Non Current Assets		**4,297**	7,445
Total Assets		**906,610**	749,983
Current Liabilities			
Unearned Revenue	7	**177,392**	84,144
Payables	6	**172,454**	150,367
Total Current Liabilities		**349,846**	234,511
Non Current Liabilities			
Unearned Revenue	7	**11,400**	16,550
Total Non Current Liabilities		**11,400**	16,550
Total Liabilities		**361,246**	251,061
Net Assets		**545,364**	498,922
Equity			
Contributed Funds		**30,000**	30,000
Accumulated Surplus		**515,364**	468,922
Total Equity		**545,364**	498,922

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statements of Changes in Equity
For the year ended 30 June 2010

	Contributed equity	Retained Surplus	Total Equity
Balance as at 1 July 2008	30,000	350,993	380,993
Total comprehensive income for the year	-	117,929	117,929
Balance as at 30 June 2009	**30,000**	**468,922**	**498,922**
Balance as at 1 July 2009	30,000	468,922	498,922
Total comprehensive income for the year	-	46,442	46,442
Balance as at 30 June 2010	**30,000**	**515,364**	**545,364**

The Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2010

	30 June 2010	30 June 2009
Cash Flows from Operating Activities		
Receipts from customers	**403,234**	493,314
Payments to Suppliers	**(246,752)**	(343,332)
Payment of GST (Net)	**(4,769)**	(20,873)
Interest Received	**26,953**	24,346
Net Cash Flows provided by Operating Activities	**178,666**	153,455
Cash Flows from Investing Activities		
Payments for plant, equipment & software	**(745)**	(5,835)
Net Cash Flows used in Financing Activities	**(745)**	(5,835)
Net increase in cash and cash equivalents	**177,921**	147,620
Cash and cash equivalents at the beginning of the year	**586,742**	439,122
Cash and cash equivalents at the end of the year	**764,663**	586,742

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Glycemic Index Limited
Notes to Financial Statements
For the year ended 30 June 2010

Note 1: Corporate Information

The financial report of Glycemic Index Limited (the Company) for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of the directors on 22 November, 2010.

Glycemic Index Limited is a company limited by guarantee incorporated in Australia.

The nature of the operations and principal activities of the Company are described in note 3.

Note 2: Summary of Significant Accounting Policies

(a) Basis of Preparation

This financial report is a general-purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. The financial report has been prepared on a historical cost basis. The financial report is presented in Australian dollars.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Finance Reporting Standards (AIFRS). Some AIFRS and other Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements, including Australian Accounting Standards AASB 102 Inventories, AASB 116 Property, Plant and Equipment, AASB 136 Impairment of Assets and AASB 1004 Contributions.

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Company has adopted the following new and amended Australian Accounting Standards and AASB interpretations as of 1 January 2009, which has an impact on the company.

- AASB 101 *Presentation of Financial Statements* (revised 2007) effective 1 January 2009.

AASB101 Presentation of Financial Statements

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owners changes in equity presented in a reconciliation of each component of equity and included in the new statement of comprehensive income. The statement of comprehensive income presents all items of recognised income and expense either in one single statement or in two linked statements. The Company has elected to present one statement.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Company for the annual reporting period ended 30 June 2010. The directors have not early-adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Company) and interpretations.

(c) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Licence Fees

Revenue from licence fee contracts is recognised on a straight line basis over the licence period.

Rendering of Services
Revenue is recognised when the contract outcome can be reliably measured, control of the right to be compensated for the service has been attained and the stage of completion can be reliably measured.

Interest
Interest is recognised as interest accrues using the effective interest rate method.

Donations
Donations are recognised on the receipt of funds.

In-kind revenue
In-kind revenue is recognised at the fair value of contributions received and when the Company obtains full control of the contribution. This is in accordance to AASB1004 *Contributions.*

(d) Cash and Cash Equivalents
Cash and cash equivalent includes cash on hand, in bank and short-term deposits with a maturity of three months or less.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash equivalents as defined above, net of outstanding bank overdrafts.

(e) Trade and Other Receivables
Trade receivables, which generally have quarterly terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows.

(f) Derecognition of Financial Assets and Financial Liabilities

(i) Financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Company has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Company could be required to repay.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in respective carrying amounts is recognised in profit or loss.

(g) Impairment of Financial Assets

The Company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the loss is recognised in profit or loss.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(h) Taxes

Income Tax
The Company is a registered charity and is not liable for income tax by virtue of Section 50-B of the Income Tax Assessment Act, 1997.

Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

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

Cash Flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to the taxation authority are classified as operating cash flows.

(i) Payables
Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Loans are carried at amortised cost, where if the effect of the time value of money is material, they are discounted using a current pre-tax rate that reflects the risks specific to the liability.

(j) Significant Accounting Judgements, Estimates and Assumptions
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

(i) Significant accounting judgements
No significant accounting judgements were made during the year.

(ii) Significant accounting estimates and assumptions
No significant accounting estimates and assumptions were made during the year.

(k) Property, Plant and Equipment
Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

Computer Equipment – 25-33%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Derecognition
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Note 3: Segment Information
The Company operates in one geographic segment, being Australia. The principal activities being undertaken are research into the Glycemic Index of foods and the licensing of the Glycemic Index label.

Note 4: Expenses
Expenses from Continuing Operations

a) Employee Benefit Expenses
While the company has no direct employees, consulting services are provided by two key people to the company in business development and scientific oversight. Information regarding the compensation of key people can be found in note 9.

	30 June 2010 **$**	30 June 2009 $
Wages and Salaries	-	45,923
Workers' Compensation Costs	-	424
Defined Contribution Superannuation Expense	-	6,200
Other Employee Benefit Expense	-	3,436
Total Employee Benefit Expenses	-	55,983

b) Other Expenses

	30 June 2010 **$**	30 June 2009 $
Advertising	**142,467**	16,975
Audit Fee	**7,280**	(2,940)
Bank Charges	**1,172**	431
Doubtful Debts	**1,494**	(21,488)
Computer Equipment under $500.00	-	34
Conference Expenses	**19,346**	28,744
Depreciation	**3,893**	2,026
Legal Fees	**8,470**	19,922
Postage/Stationery	**2,049**	3,321
Research	-	134
Telephone	**2,198**	1,598
Travel	**4,043**	9,993
Other	-	(902)
	192,412	57,848

Note 5:
Receivables

	30 June 2010 **$**	30 June 2009 $
Trade Debtors - Current	**105,419**	151,264
Provision for Doubtful Debts	-	-
	105,419	151,264

A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. No impairment losses were required in the current year.

Movements in the provision for impairment loss are as follows:

At 30 June, the ageing analysis of trade receivables is as follows:

	Total	0 – 30 Days	31 – 60 Days	61 – 90 Days	+ 90 Days	+ 90 Days
			PDNI*	PDNI	PDNI	CI +
	$	$	$	$	$	$
2010	105,419	25,216	49,500	-	27,403	3,300
2009	151,264	3,300	123,146	-	7,500	17,518

* Past due not impaired (PDNI)
\+ Considered impaired (CI)

Receivables past due but not considered impaired are $27,403 (2008: $7,500). Payment terms on these amounts have not been renegotiated; however credit has been stopped until full payment is made. The Company has been in direct contact with the relevant debtor and is satisfied that payment will be received in full.

Note 6:
Payables

	As at 30 June 2010 $	As at 30 June 2009 $
Current		
Trade Creditors	**14,694**	25,993
Accruals	**12,953**	9,880
GST Control Payable	**7,533**	2,487
PAYG	-	2,018
Amounts Payable to related parties		
Sydney University - Loan for research, administration & legal expense	**37,700**	37,700
Sydney University - Royalty Fee	**72,969**	40,564
JDRF - Reimbursement of Operational expenditure	**26,606**	31,725
	172,454	150,367

Note 7:
Unearned Revenue

	As at 30 June 2010 $	As at 30 June 2009 $
Current	**177,392**	84,144
Non-Current	**11,400**	16,550
	188,792	100,694

Note 8:
Fixed Assets

	As at 30 June 2010 $	As at 30 June 2009 $
Computer Equipment		
- Cost	**4,926**	4,915
- Acumulated Depreciation	**(3,497)**	(2,060)
Written-down value of Computer Equipment	**1,429**	2,855
Intangibles		
- Cost	**5,835**	5,100
- Accumulated Depreciation	**(2,967)**	(510)
Written-down value of Intangibles	**2,868**	4,590

Property, Plant and Equipment Reconciliation

	As at 30 June 2010 $	As at 30 June 2009 $
Computer Equipment		
Carrying amount at beginning	**2,242**	3,635
Purchases	**745**	-
Disposals	-	-
Depreciation	**(1,559)**	(1,393)
Written-down value of Computer Equipment	**1,429**	2,242
Intangibles		
Carrying amount at beginning	-	-
Purchases	**5,202**	5,835
Disposals	-	-
Depreciation	**(2,334)**	(633)
Written-down value of Intangibles	**2,868**	5,202

Note 9:
Related Party Disclosures
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The University of Sydney has provided a loan for legal costs and is entitled to royalty fees of $110,669 in total and Juvenile Diabetes Research Foundation is entitled to reimbursement of operational expenditure amounting to $26,606 as at 30 June 2010. These are related party transactions.

The Directors of Glycemic Index Limited during the financial year were:

Barclay, Dr. Alan
Barry, Robert
Bonney, William
Brand-Miller, Prof. Janette
Good, Michael

Higgs, Stephen
Martin, Stephanie
Wilson, Michael

There were commercial transactions between two Directors (namely Stephanie Martin and Dr Alan Barclay) and the Company in the form of compensation in the form of consulting fees. The value of these transactions in aggregate are outlined below. All other Directors have no commercial transactions with the Company.

Payment to Directors

	Year to 30 June 2010	Year to 30 June 2009
	$	$
Short-term	203,499	152,462
Defined contribution superannuation	-	-
Other long-term	-	-
	203,499	152,462

Note 10: Financial Risk Management Policy

The Company's principal financial instruments comprise cash at bank.

The main purpose of these financial instruments is to raise funds for the Company's operations. The Company has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are interest rate risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

Interest rate risk

Cash is the only financial instrument of the Company subject to changes in interest rates. The company invests cash only with a recognised financial institution.

Credit risk

The Company's maximum exposures to credit risk at reporting date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the statement of financial position.

Note 11: Financial Instruments

Note 11(a): Terms and Conditions

The terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at the balance date, are as follows:

Recognised Financial Instruments	**Balance Sheet Notes**	**Terms and Conditions**
Trade Debtors	5	Credit sales are generally on quarterly terms.
Trade creditors, accruals and payables	6	Trade liabilities are normally settled on 30 day terms. The payable (non-current) to Sydney University is as per the terms stated in Note 9.

Note 11(b): Interest Rate Risk
Cash is the only financial instrument of the company subject to changes in interest rates. The amount of interest earned, and the capacity to increase interest income is dependant as much on the timing of receipts and payments as it is on the movements in interest rates.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date:

	Net Surplus	
	2010 Higher/(Lower) $	2009 Higher/(Lower) $
Interest Rate +.05% (50 basis points)	382	293
Interest Rate -2% (200 basis points)	(15,293)	(11,734)

Note 11(c): Foreign Currency Risk
As a result of the organisation's pursuit of international trademarks, the company's balance sheet can be impacted by movements in the US$/A$, YEN/A$, and NZ$/A$ exchange rates. The company seeks to minimise its exposure to foreign currency movements by requiring that all international licensee agreements be payable in Australian dollars.

The risk of exposure to foreign currency fluctuations is not material as the majority of GIL customers are based in Australia.

Note 11(d): Net Fair Values
The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at the balance date are approximately equal to their book values as follows:

	Total carrying amount as per the balance sheet		Aggregate net fair value	
	2010	2009	**2010**	2009
Financial Assets	**$**	$	**$**	$
Cash	**764,663**	586,742	**764,663**	586,742
Receivables – trade	**105,419**	151,264	**105,419**	151,264
Total financial assets:	**870,082**	738,005	**870,082**	738,006
Financial Liabilities				
Trade creditors and accruals	**172,454**	150,367	**172,454**	150,367
Total financial liabilities:	**172,454**	150,367	**172,454**	150,367

Note 11(e): Liquidity Risk
Liquidity risk arises from the financial liabilities of the Company and the Company's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and accounts receivable.

The table below reflects all contractually fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial liabilities. For the other obligations the respective undiscounted cash flows for the respective upcoming fiscal years are presented. Cash flows for financial assets and liabilities without fixed amount or timing are based on the conditions existing at 30 June 2010.

The remaining contractual maturities of the Company's financial liabilities are:

	2010 $	2009 $
6 months or less	61,785	74,602
6-12 months	-	-
1-5 years	110,669	75,765
Over 5 years	-	-
	172,454	**150,367**

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. Trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as property, plant, equipment and investments in working capital (e.g., trade receivables). These assets are considered in the Company's overall liquidity risk. To monitor existing financial assets and liabilities as well as to enable an effective controlling of future risks, The Company has established comprehensive risk reporting that reflects expectations of the management of expected settlement of financial assets and liabilities.

	< 6 months $	6-12 months $	1-5 years $	> 5 years $	Total $
Financial Assets					
Cash & cash equivalents	764,663	-	-	-	**764,663**
Trade & other receivables	105,419	-	-	-	**105,419**
	870,082				**870,082**
Financial Liabilities					
Trade & other payables	61,785	-	110,669	-	**172,454**
	61,785	-	**110,669**	-	**172,454**
Net Maturity	**808,297**	-	**(110,669)**	-	**697,628**

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities.

Recognised financial instruments

Cash, cash equivalents and short term investments: The carrying amount approximates fair value because of their short term to maturity.

Trade receivables and payables: The carrying amount approximates fair value.

Note: 11(e): Credit Risk Exposure

Concentrations of credit risk
The trade debtors of the company are solely comprised of GIL Symbol Program licensees, with one debtor comprising 46.8% of the receivables balance of $49,500.00. The credit risk associated with these debtors is considered low.

Note 12: Auditor's Remuneration

The auditor of Glycemic Index is Ernst & Young. The amounts received or due and receivable by Ernst & Young are:

	30 June 2010	30 June 2009
	$	$
Audit Fees	**7,280**	7,310

Note 13: Reconciliation of Net Surplus to Net Cash Inflow / (Outflow) From Operating Activities

	30 June 2010	30 June 2009
	$	$
Net surplus / (deficit) after income tax	**46,442**	117,929
Depreciation and amortisation	**3,893**	2,026
Change in operating assets and liabilities		
(Increase)/Decrease in trade & other receivables	**45,845**	91,183
(Increase)/Decrease in prepayments	**(27,699)**	8,679
Increase/(Decrease) in trade and other creditors	**22,088**	14,150
Increase/(Decrease) in Unearned Income	**88,097**	(80,511)
Net cash (outflow)/inflow from operating activities	**178,666**	153,456

Note 14: Members Guarantee

The Company is a public company limited by guarantee that is incorporated and domiciled in Australia. In the event that the Company is wound up, its Constitution states that the members are required to contribute a maximum of $100 each towards meeting any outstanding obligations of the Company.

At 30 June 2010 the number of members was 2 (2009: 2 members).

Glycemic Index Limited
Directors Declaration

In accordance with a resolution of the Directors of Glycemic Index Limited, we state that –

In the opinion of the Directors:

(a) Financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
    (i) giving a true and fair view of the Company's financial position as at 30 June 2010 and of the Company's performance for the year ended on that date; and
    (ii) complying with Accounting Standards and Corporations Regulations, 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.

For and on behalf of the Board,

William Bonney
Director / Company Secretary

Sydney Date: 8 DEC. 2010

ERNST & YOUNG

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Independent auditor's report to the members of Glycemic Index Limited

We have audited the accompanying financial report of Glycemic Index Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

Auditor's Opinion

In our opinion, the financial report of Glycemic Index Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the financial position of Glycemic Index Limited at 30 June 2010 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young

EA Lang

E. A. Lang
Partner
Sydney
Date: 8 December 2010