

MEDIGARD LIMITED
ABN 49 090 003 044

Results for Announcement to the Market

Financial Year ended 30 June 2010 (Reporting Period)
(Previous Corresponding Period - 30 June 2009)

			30 June 2010	30 June 2009
			\$	\$
Revenues from continuing operations	Up 69%	to	285,832	169,504
Loss from continuing operations after tax attributable to members	Down 47%	to	400,158	761,323
Net loss for the period attributable to members	Down 47%	to	400,158	761,323

Dividends	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Previous Year	Nil	Nil
Interim Dividend	Nil	Nil
Previous Year	Nil	Nil
Record date for determining dividend entitlements	Not applicable	
The company does not intend to pay any dividends applicable to the reporting period.		
The company does not have a Dividend Reinvestment Plan.		

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Explanation of Figures Included above

As the company's investments are progressively applied to continuing operations, the earnings on those investments is reducing. However during the year income was supplemented with the Research and Development Tax Offset.

Net Tangible Assets per Security	30 June 2010	30 June 2009
Net Tangible Assets per Security (cents)	0.33	0.84

This report is based on financial statements which are in the process of being audited.

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

		2010	2009
		\$	\$
Revenue from continuing operations	1	285,832	169,504
Depreciation and amortisation expense	2	(44,831)	(43,687)
Finance costs		(7,544)	(6,255)
Other expenses	2	(633,615)	(880,885)
Loss before income tax expense		(400,158)	(761,323)
Income tax expense		-	-
Net loss for the year after income tax expense		(400,158)	(761,323)
Other Comprehensive Income		-	-
Total Comprehensive Income		(400,158)	(761,323)
Basic earnings per share (cents per share)		(0.54)	(1.10)
Diluted earnings per share (cents per share)		(0.54)	(1.10)

The above Statement of Comprehensive Income should be read in conjunction with the Notes to the financial statements.

MEDIGARD LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

		2010	2009
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	302,039	276,374
Trade and other receivables	4	15,209	108,808
Financial assets	5	62,500	298,250
Other current assets		3,806	4,462
TOTAL CURRENT ASSETS		383,554	687,894
NON-CURRENT ASSETS			
Financial Assets	5	-	96,696
Property, plant and equipment		7,918	10,883
Intangible assets	6	202,651	217,314
Other non current assets		10,560	10,560
TOTAL NON-CURRENT ASSETS		221,129	335,453
TOTAL ASSETS		604,683	1,023,347
CURRENT LIABILITIES			
Trade and other payables	7	37,758	86,902
Interest bearing liabilities	8	110,734	103,190
TOTAL CURRENT LIABILITIES		148,492	190,092
TOTAL LIABILITIES		148,492	190,092
NET ASSETS		456,191	833,255
EQUITY			
Issued Capital	9	3,889,057	3,865,963
Reserves		519,837	519,837
Retained losses		(3,952,703)	(3,552,545)
TOTAL EQUITY		456,191	833,255

The above Statement of Financial Position should be read in conjunction with the Notes to the financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(729,098)	(609,475)
Research and Development Tax Offset	173,961	113,489
GST Refunded	42,709	28,129
Interest received	30,180	71,620
Net cash used in operating activities	<u>(482,248)</u>	<u>(396,237)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	512,021	201,885
Purchase of property, plant and equipment	-	(362)
Proceeds from sale of property, plant and equipment	-	548
Purchase of other non-current assets	(27,203)	(83,496)
Net cash provided by investing activities	<u>484,818</u>	<u>118,575</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	-	100,000
Proceeds from Issue of Shares	35,524	360,000
Payment for Costs of Share Purchase Plan	(12,430)	(37,637)
	<u>23,094</u>	<u>422,363</u>
Net increase/(decrease) in cash held	25,664	144,701
Cash at 1 July 2009	<u>276,374</u>	<u>131,673</u>
Cash at 30 June 2010	<u>302,038</u>	<u>276,374</u>

The above Statement of Cash Flows should be read in conjunction with the Notes to the financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

	Issued Capital	Retained Earnings	Share Based Payment	Total Equity
	\$	\$	\$	\$
At 1 July 2008	3,534,600	(2,791,222)	519,837	1,263,215
Loss for the Year		(761,323)	-	(761,323)
Issue of Shares	369,000	-		369,000
Cost of Share Issue	(37,637)	-		(37,637)
At 30 June 2009	3,865,963	(3,552,545)	519,837	833,255
Loss for the Year	-	(400,158)	-	(400,158)
Cost of Share Issue	(12,430)	-	-	(12,430)
Issue of Shares	35,524	-	-	35,524
Issue of Options	-	-	-	-
At 30 June 2010	3,889,057	(3,952,703)	519,837	456,191

The above Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
Note 1 Revenue		
Revenue from continuing operations		
- interest received – cash at bank	4,799	7,087
- interest received – financial instruments	25,381	64,533
- Research & Development Tax Offset	76,078	97,884
- Profit on Financial Assets at fair value through Profit and Loss	179,574	
	285,832	169,504
Note 2 Loss for the Year		
a. Expenses:		
Depreciation of non-current assets:		
- Plant and equipment	2,965	4,506
Total depreciation	2,965	4,506
Amortisation of non-current assets		
- Patents & Trademarks	41,866	39,181
Total amortisation	41,866	39,181
Rental Expense	24,690	27,618
Research and Development Costs	127,327	213,677
Consulting Fees	75,775	60,825
Directors Fees	99,251	113,250
Fees & Permits	37,371	35,896
Loss on Financial Assets at fair value through Profit and Loss	-	255,223
Other Expenses	296,201	174,396
	633,615	880,885
Note 3 Cash and Cash Equivalents		
Cash at bank	302,039	276,374
	302,039	276,374
Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position		
Cash	302,039	276,374

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	2010	2009
	\$	\$
Note 4 Receivables		
CURRENT		
Short Term Deposits	500	500
Other Debtors	14,709	108,308
	15,209	108,808

No receivables are past due or impaired at year end.

Note 5 Other Financial Assets

CURRENT		
Investments held at fair value through Profit and Loss account.		
Floating Rate Interest Rate Securities - listed, at market value	62,500	298,250
NON CURRENT		
Investments held at fair value through Profit and Loss account.		
Floating Rate Interest Rate Securities –unlisted, at valuation	-	96,696

Note 6 Intangible Assets

Patents, and trademarks – at cost	392,911	365,708
Less: Accumulated amortisation	(190,260)	(148,394)
	202,651	217,314
Balance at beginning of year	217,314	172,999
Additions – at cost	27,203	83,496
Amortisation	(41,866)	(39,181)
Carrying amount at the end of the year	202,651	217,314

Note 7 Payables

CURRENT		
Unsecured Liabilities		
Trade Creditors	24,116	48,270
Sundry Creditors and Accrued Expenses	13,642	38,632
Interest Bearing Liabilities	110,734	103,190
	148,492	190,092

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	2010	2009
	\$	\$
Note 8 Interest Bearing Liabilities		
Loan – D J Channer	110,734	103,190
	110,734	103,190

Note 9 Issued Capital

a. 74,046,091 (2009: 73,750,055) fully paid ordinary shares	3,889,057	3,865,963
	3,889,057	3,865,963
	No.	No.
At the beginning of the reporting period	73,750,055	67,550,000
Shares issued during the year		
- 20 January 2009 – Remuneration Share Issue	-	200,000
- 3 April 2009 – Share Purchase Plan	-	6,000,055
- 26 February 2010 – Options Exercised	667	-
- 16 March 2010 – Options exercised	37,818	-
- 26 March 2010 – Options exercised	92,984	-
- 8 April 2010 – Options exercised	164,567	-
At reporting date	74,046,091	73,750,055

b. Options

- i. 24,287,316 listed options issued under the shareholders loyalty plan on 21 April 2009 lapsed on 31 March 2010.

As at 30 June 2010 there were 7,600,000 (30 June 2009:7,600,000) unissued ordinary shares for which unlisted options were outstanding. There were no (30 June 2009: 24,583,352) unissued ordinary shares for which listed options were outstanding.

c. Capital Risk Management

The company manages its capital to ensure that the company will be able to continue as a going concern and meet performance milestones set in the budget.

The company's overall strategy remains unchanged from previous years but the company is now transitioning from a pure research and development company to an operating company.

The capital structure of the company consists of the funds raised when the company floated, and funds raised from a share purchase plan and options exercised less accumulated losses to date and the unsecured loan.

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	2010	2009
	\$	\$
Note 9 Cash Flow Information		
a. Reconciliation of Cash Flow from Operations with Loss from ordinary activities after Income Tax		
Loss after income tax	(400,158)	(761,323)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss		
Amortisation	41,866	39,181
Depreciation	2,965	4,506
Movement in market value of investments	(179,574)	255,223
Share issue expensed	-	9,000
Changes in assets and liabilities,		
(Increase)/decrease in trade and term debtors	93,599	13,565
(Increase)/decrease in prepayments	655	18,098
Increase/(decrease) in trade creditors and accruals	(41,601)	25,513
Cash flows from operations	(482,248)	(396,237)

b. Non-cash Financing and Investing Activities

During the financial year 296,036 listed options were exercised. 24,583,352 listed options were issued for no consideration under the shareholder's loyalty plan in the preceding financial year.

Note 10 Company Details

The registered office of the company is:
 MEDIGARD LIMITED
 SUITE 14A TEDDER TERRACES
 26-30 TEDDER AVENUE
 MAIN BEACH QLD 4217

The principal place of business is:
 MEDIGARD LIMITED
 SUITE 14A TEDDER TERRACES
 26-30 TEDDER AVENUE
 MAIN BEACH QLD 4217

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