

Appendix 4E

Preliminary final report
Year ended 30 June 2010

HELICON GROUP LIMITED

ACN 107 903 159

Results for announcement to the market:

			Current period (\$A'000)		Previous corresponding period (\$A'000)
Revenues from ordinary activities (item 1.1)	Down 54.5%	To	20	From	44
Profit (loss) from ordinary activities after tax attributable to members (item 1.22)	Down 2.6%	To	(858)	From	(881)
Net profit (loss) for the period attributable to members (item 1.11)	Down 2.6%	To	(858)	From	(881)
Dividends					
There are no dividend or distribution reinvestment plans in operation and there have been no dividend or distribution payments during the financial year ended 30 June 2010.					
Comments					
The Company is recapitalising by way of an underwritten rights issue which closed on 27 August, to raise \$1.869 million.					
A new business opportunity will then be sought.					
The Company has no present plans to commercialise the two remaining pharmaceutical products for which it has licences.					
Net tangible assets per ordinary security			30 June 2010		30 June 2009
Net tangible assets			444,395		953,041
Number of shares on issue at reporting date			99,676,454		83,915,177
Net tangible assets per ordinary security			0.45 cents		1.14 cents
Control Gained or Lost over Entities					
Not applicable					
Associates and joint ventures					
Not applicable					
Foreign Entities Accounting Framework					
Not applicable					
Audit/Review Status					
This Appendix 4E and the attached interim financial report are based on accounts which are in the process of being audited.					

The attached preliminary consolidated financial report for the year ended 30 June 2010 forms part of this Appendix 4E. This report should be read in conjunction with the Helicon Group Limited 2009 annual financial report and the notes contained therein.

Perth
31st August 2010

A handwritten signature in black ink, appearing to read 'G R Boden', is written in a cursive style.

G R Boden
Company Secretary

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Helicon Group Limited

Preliminary Consolidated Statement of Comprehensive Income For the year ended 30 June 2010

		Consolidated	
	Note	2010	2009
		\$	\$
Sales revenue		-	-
Cost of goods sold		-	-
GROSS PROFIT		-	-
Inventory written off and samples provided		-	(24,580)
Employee benefits expense	4	(85,744)	(307,551)
Depreciation	3	(3,174)	(5,155)
Sales and marketing		(75)	(62,811)
Accounting and secretarial services		(90,541)	(79,252)
Travel and accomodation		(24,288)	(58,517)
Consulting fees		(90,237)	(77,978)
Director fees		(60,500)	(124,441)
Insurances		(44,523)	(56,877)
Regulatory expenses		(25,684)	(23,731)
Legal expenses		(46,318)	(4,485)
Other expenses from operating activities		(124,542)	(85,640)
Share based payments		(84,000)	(14,112)
OPERATING RESULT		(679,626)	(925,130)
Other Operating Income		-	-
LOSS BEFORE INTEREST, TAXES & AMORTISATION		(679,626)	(925,130)
Amortisation and impairment	3	(198,622)	-
LOSS BEFORE INTEREST & TAXES		(878,248)	(925,130)
Net financial income	2	19,837	44,105
LOSS BEFORE TAXES		(858,411)	(881,025)
Income tax		-	-
NET LOSS		(858,411)	(881,025)
OTHER COMPREHENSIVE INCOME		-	-
COMPREHENSIVE LOSS FOR THE PERIOD		(858,411)	(881,025)
Attributable to the members of the parent entity		(858,411)	(881,025)
NET LOSS attributable to members of the parent entity		(858,411)	(881,025)
EARNINGS PER SHARE			
Loss Per Share (\$)	5	(1.00)	(1.05)

The accompanying notes form an integral part of these financial statements.

Helicon Group Limited

Preliminary Consolidated Statement of Financial Position As at 30 June 2010

		Consolidated	
	Note	2010	2009
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	454,358	803,118
Trade and other receivables	7	21,071	15,051
Other current assets	9	13,073	226,729
TOTAL CURRENT ASSETS		488,502	1,044,898
NON-CURRENT ASSETS			
Property, plant and equipment	10	5,323	6,915
TOTAL NON-CURRENT ASSETS		5,323	6,915
TOTAL ASSETS		493,825	1,051,813
CURRENT LIABILITIES			
Trade and other payables	11	49,430	61,501
Interest bearing liability		-	5,830
Provisions	12	-	31,441
TOTAL CURRENT LIABILITIES		49,430	98,772
TOTAL LIABILITIES		49,430	98,772
NET ASSETS		444,395	953,041
EQUITY			
Issued capital	13	4,841,926	4,576,161
Reserves	15	313,783	229,783
Accumulated losses	14	(4,711,314)	(3,852,903)
TOTAL EQUITY		444,395	953,041

The accompanying notes form an integral part of these financial statements.

Helicon Group Limited

Preliminary Consolidated Statement of Cash Flows For the year ended 30 June 2010

	<i>Note</i>	Consolidated 2010	2009
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(637,170)	(940,867)
Interest received		20,306	47,804
Income taxes refunded		-	29
Receipts from customers		-	-
Net cash provided by / (used in) operating activities	16	<u>(616,864)</u>	<u>(893,034)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	10	(1,582)	(5,235)
Non-interest bearing receivable		-	(125,000)
Net cash provided by / (used in) investing activities		<u>(1,582)</u>	<u>(130,235)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	13	275,516	-
Proceeds from borrowings		-	58,300
Loans to subsidiaries		-	-
Share issue transaction costs		-	-
Repayment of borrowings		<u>(5,830)</u>	<u>(52,470)</u>
Net cash provided by / (used in) financing activities		<u>269,686</u>	<u>5,830</u>
Net increase in cash and cash equivalents held		(348,760)	(1,017,439)
Cash and cash equivalents at beginning of financial year		<u>803,118</u>	<u>1,820,557</u>
Cash and cash equivalents at 30 June	6	<u><u>454,358</u></u>	<u><u>803,118</u></u>

The accompanying notes form an integral part of these financial statements.

Helicon Group Limited

Preliminary Consolidated Statement of Changes in Equity For the year ended 30 June 2010

Consolidated	Note	Share Capital	(Accumulated Losses)	Reserves	Total
Balance at 1 July 2008		4,573,405	(2,971,878)	218,426	1,819,953
Loss attributable to members of parent entity		-	(881,025)	-	(881,025)
Other comprehensive Income		-	-	-	-
Total comprehensive income/(loss)		-	(881,025)	-	(881,025)
Shares issued during period		-	-	-	-
Share based payments		-	-	11,357	11,357
Equity settled transactions		2,756	-	-	2,756
Balance at 30 June 2009		4,576,161	(3,852,903)	229,783	953,041
Balance at 1 July 2009		4,576,161	(3,852,903)	229,783	953,041
Loss attributable to members of parent entity		-	(858,411)	-	(858,411)
Other comprehensive Income		-	-	-	-
Total comprehensive income/(loss)		-	(858,411)	-	(858,411)
Shares issued during period		275,516	-	-	265,765
Capital raising costs		(9,751)	-	-	-
Share based payments		-	-	84,000	84,000
Balance at 30 June 2010		4,841,926	(4,711,314)	313,783	444,395

The accompanying notes form an integral part of these financial statements.

Helicon Group Limited

Notes to the Financial Statements

Note 1: Basis of Preparation

The Preliminary Consolidated Financial Statements have been prepared on a going concern basis, which assumes that settlement of liabilities and realisation of assets in the normal course of business.

For the year ended 30 June 2010 the Company has incurred a loss of \$858,411 (2009 loss: \$881,025) and at year end the Company had a working capital of \$439,072 (2009: \$946,126) including a cash and cash equivalents balance of \$454,358 (2009: \$803,118).

The Directors believe it is appropriate to prepare the financial report on a going concern basis because:

- the Company has reduced its operating cost structure such that the June 2010 cash balance will last beyond the next balance date.
- the Company has closed a rights issue which is fully underwritten and which will raise \$1.869 million at completion.

	2010 \$	2009 \$
Note 2: Income from ordinary activities		
Interest Income	19,837	44,105
	<hr/> 19,837	<hr/> 44,105
Cost of goods sold	-	(24,580)

Note 3: Loss before interest & taxes

Loss from ordinary activities before income tax expense has been arrived at after charging the following items:

Depreciation of equipment and loss on disposal	3,174	5,155
Impairment of receivable	125,000	-
Impairment of prepayments	73,622	-
	<hr/> 73,622	<hr/> -

Note 4: Employee benefits expense

Wages & salaries	164,764	226,480
Other associated staff costs	(1,055)	18,031
Superannuation contributions	8,977	57,838
Increase / (decrease) in annual leave liability	(31,442)	5,202
Share based payments expense	84,000	14,112
	<hr/> 225,244	<hr/> 321,663

Note 5: Earnings per share

Net Loss used in the calculation of basic earnings per share:	(858,411)	(881,025)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	85,919,880	83,674,845

Diluted earning per share is not disclosed as the result of exercise of options would be anti-dilutive in nature.

Note 6: Cash and cash equivalents

Bank balances	454,358	803,118
	<hr/> 454,358	<hr/> 803,118

Note 7: Trade & other receivables

Other receivables	10,729	-
Related party receivables	4,538	8,080
GST receivable	5,752	6,971
	<hr/> 21,019	<hr/> 15,051

Helicon Group Limited

Notes to the Financial Statements (Continued)

	2010	2009
	\$	\$
Note 8: Inventory		
Opening Balance	-	24,580
Movement for the period	-	(24,580)
Closing balance	-	-

Note 9: Other current assets

Prepayments	13,073	101,729
Receivable from third party	125,000	125,000
Impairment	(125,000)	-
	13,073	226,729

Note 10: Property, plant and equipment

Office equipment at cost	13,461	11,879
Accumulated depreciation	(8,138)	(4,964)
	5,323	6,915

Movements in the carrying value of the single class of fixed asset presently held by the Company, between the beginning and end of the financial year were:

Balance at beginning of year	6,915	6,835
Additions	1,582	5,235
Disposals	-	(3,284)
Depreciation	(3,174)	(1,871)
Balance at end of year	5,323	6,915

Note 11: Trade & other payables

Trade payables	23,595	52,331
Accrued expenses	25,751	15,000
Other	-	31,441
	49,430	98,772

Note 12: Employee Benefits

Liability for annual leave	-	31,442
Balance at 1 July	31,441	26,240
Payments made	(38,653)	(12,317)
Charges raised	7,212	17,518
	-	31,441

Note 13: Issued capital

99,676,454 ordinary shares fully paid(2009: 83,915,177)	4,841,926	4,576,161
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Movements in issued capital during the year:

Ordinary Shares

	2010	2010	2009	2009
	Shares	\$	Shares	\$
Shares issued during the year				
Opening balance	83,915,177	4,576,161	83,277,377	4,573,405
Shares issued at \$0.02	-	-	137,800	2,756
Issued free	-	-	500,000	-
Shares issued at \$0.05	2,260,000	113,000	-	-
Shares issued at \$0.0125	13,001,277	162,516	-	-
Issued free	500,000	-	-	-
Share issue costs	-	(9,751)	-	-
Closing balance	99,676,454	4,841,926	83,915,177	4,576,161

Helicon Group Limited

Notes to the Financial Statements (Continued)

Note 14: Accumulated Losses	2010	2009
	\$	\$
Opening balance	(3,852,903)	(2,971,878)
Loss for period	(858,411)	(881,025)
Accumulated losses at the end of the period	<u>(4,711,314)</u>	<u>(3,852,903)</u>

Note 15: Reserves		
Opening balance	229,783	218,426
Share based payments expense	84,000	11,357
Accumulated losses at the end of the period	<u>313,783</u>	<u>229,783</u>

Note 16: Statement of cash flows

Reconciliation of loss after income tax to net cash used in operating activities:

Profit / (loss) for the year	(858,411)	(881,025)
Cash flows excluded from loss attributable to operating activities:		
Non-cash flows in loss:		
Foreign exchange loss / (gain)	10,381	(8,122)
Depreciation & impairment	201,796	5,155
Share based payments	84,000	14,112
Change in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
(Increase)/decrease in assets:		
Trade and other receivables	(6,020)	9,681
Prepayments	4,653	15,145
Current inventories	-	24,580
Increase/(decrease) in liabilities:		
Current payables and accruals	(21,822)	(77,761)
Current provisions	(31,441)	5,201
Net cash provided by / (used in) operating activities	<u>(616,864)</u>	<u>(893,034)</u>