

Appendix 4E
Preliminary final report

Reco Financial Services Limited

30th June 2009

Lodged with the ASX under Listing Rule 4.3A

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Reco Financial Services Limited

Year ended 30 June 2009

(Previous corresponding period: Year ended 30 June 2008)

Results for Announcement to the Market

				A\$,000
Revenue from ordinary activities	Down	47.82%	to	43
Profit/(loss) from ordinary activities after tax attributable to members	Down	83.83%	to	(975)
Net profit/(loss) for the period attributable to members	Down	83.83%	to	(975)

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	-	-
Interim dividend	-	-

Record date for determining entitlements to the dividend

N/A

Explanation of Revenue

Revenue from ordinary activities includes interest income of \$43,300.

Explanation of Profit/(loss) from ordinary activities after tax

The financial year reports a loss of \$975,121 compared to a loss of \$530,413 in the prior year. The loss this year included due diligence cost of \$26,911 (last year \$338,522), which was incurred in the process of reviewing and identifying business opportunities.

Explanation of Net Profit/(loss)

See above: explanation of profit/(loss) from ordinary activities after tax

Reco Financial Services Limited
Preliminary consolidated income statement
For the year ended 30 June 2009

	A\$,000	A\$,000
	Reporting Period	Previous Corresponding Period
Finance revenue	43	83
Auditors remuneration	(22)	(19)
Directors fees	(90)	(116)
Doubtful Debts	(711)	-
Due diligence costs	(27)	(339)
Other administration expenses	(168)	(139)
Profit/(loss) before income tax	(975)	(530)
Income tax expense	-	-
Profit/(loss) attributable to members of the parent	(975)	(530)
Basic earnings per share (cents)	(0.38) ¢	(0.24) ¢
Diluted earnings per share (cents)	(0.38) ¢	(0.24) ¢

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

Reco Financial Services Limited
Preliminary consolidated balance sheet
As at 30 June 2009

	A\$,000	A\$,000
	Reporting Period	Previous Corresponding Period
Current assets		
Cash and cash equivalents	728	1,687
Trade and other receivables	5	18
Other current assets	8	7
Total current assets	741	1,712
Non-current assets		
Intangible assets	-	10
Total non-current assets	-	10
Total assets	741	1,722
Current liabilities		
Trade and other payables	35	41
Total current liabilities	35	41
Total liabilities	35	41
Net assets	706	1,681
Equity		
Contributed equity	13,505	13,505
Reserves	922	922
Accumulated losses	(13,721)	(12,746)
Total equity	706	1,681

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Reco Financial Services Limited
Preliminary consolidated statement of cash flows
For the year ended 30 June 2009

	A\$,000	A\$,000
	Reporting Period	Previous Corresponding Period
Cash flows from operating activities		
Interest income	46	83
Payments to suppliers and employees	(294)	(570)
Income taxes paid	-	-
Net cash flows from/(used in) operating activities	(248)	(487)
Cash flows from investing activities		
Loans	(711)	-
Net cash flows (used in) investing activities	(711)	-
Cash flows from financing activities		
Proceeds from issue of shares	-	503
Share issue costs	-	-
Net cash flows from/(used in) financing activities	-	503
Net increase / (decrease) in cash and cash equivalents	(959)	16
Cash and cash equivalents at beginning of period	1,687	1,671
Cash and cash equivalents at end of period	728	1,687

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

Reco Financial Services Limited

Other notes to the preliminary consolidated financial statements

For the year ended 30 June 2009

Note 1. Future Developments

The directors continue to review projects that will add to shareholder value.

Note 2. Material factors affecting the revenues and expenses of the economic entity for the current period

Revenues: see above: explanation of revenue

Expenses: see above: explanation of profit/(loss)

Note 3. Retained Earnings

	A\$,000	A\$,000
	Reporting Period	Previous Corresponding Period
Accumulated Losses at the beginning of the financial year	(12,746)	(12,216)
Net profit/(loss) attributable to members of Reco Financial Services Limited	(975)	(530)
Accumulated Losses at the end of the financial year	(13,721)	(12,746)

Note 4. NTA Backing

	Reporting Period	Previous Corresponding Period
Net tangible asset backing per ordinary share	0.273 ¢	0.649 ¢

Note 5. Other significant information

This preliminary financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by the Company during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Reco Financial Services Limited
Other notes to the preliminary consolidated financial statements
For the year ended 30 June 2009

Note 6. Earnings per security (EPS)

Basic earnings per share (cents)	(0.38) ¢	(0.24) ¢
Diluted earnings per share (cents)	(0.38) ¢	(0.24) ¢

Earning reconciliation

	A\$,000	A\$,000
	Reporting Period	Previous Corresponding Period
Net Profit/(loss)	(975)	(530)
Basic and diluted earnings	(975)	(530)

Weighted average number of shares used as the denominator

Number for basic earnings per share:

Ordinary shares	258,977,396	225,660,958
Effect of share options	-	-
<i>Number for diluted earnings per share</i>	258,977,396	225,660,958

Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of AASB 1027: *Earnings Per Share* are as follows.

For the reporting period, the numerator used in the calculation of both Basic EPS and Diluted EPS is (\$975,121) and there are no reconciling items. The denominator used for the Basic EPS and Diluted EPS calculation is 258,977,396. Share options with an exercise price above the average market price during the period have been excluded from the calculation of the diluted EPS.

Audit

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