APOLLO

CONSOLIDATED LTD

ACN 102084917

ASX Appendix 4E
Preliminary Final Report
Year ended 30 June 2009

Name of entity

APOLLO CONSOLIDATED LIMITED

ABN

13 102 084 917

Financial year ended (“current year”)

30 June 2010

Comparative year ended (“prior year”)

30 June 2009

Statement

This report is based on information extracted from the Audited Annual Financial Report of Apollo Consolidated Limited (Company) and the entities it controlled at the end of, or during the year ended 30 June 2010 (Consolidated Entity or Group).

Results for announcement to the market

	UP/DOWN	CHANGE $’000	% CHANGE
Revenues from ordinary activities* **Continuing operations only*	**Up**	**3**	**642%**
Revenue from continuing operations for the year to 30 June 2010 is higher than in the prior year. The change is principally due to the fact that the Company was under voluntary administration for the period from October 2009 until the effectuation of a Deed of Company Arrangement ("DOCA") in October 2010.			
Profit from ordinary activities after tax attributable to members.	**Up**	**2,034**	**117**
Profit from ordinary activities for the year to 30 June 2010 of $291,640 is higher than in the prior year when a loss of $1,742,745 was recorded. As mentioned above the Company was previously under voluntary administration and a gain on forgiveness of liabilities of $648,724 under the DOCA was recognised in the current financial year.			
Net profit for the period attributable to members	**Up**	**2,034**	**117**
As above.			
No dividends have been paid during or are proposed in respect of the financial year ended 30 June 2010.			

1.	**Reporting period and the previous corresponding period.**	Refer Page 1 of this Appendix 4E.
2.	**Results for announcement to the market.**	Refer Page 1 of this Appendix 4E.
3.	**Statement of financial performance with notes to the statement.**	Refer Page 21 of the attached full-year statutory financial report
4.	**Statement of financial position with notes to the statement.**	Refer Page 22 of the attached full-year statutory financial report
5.	**Statement of cash flows with notes to the statement.**	Refer Page 24 of the attached full-year statutory financial report
6.	**Details of individual and total dividends or distributions and dividend or distribution payments.**	None.
7.	**Details of dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.**	None, not applicable.
8.	**Statement of retained earnings.**	Refer Page 23 of the attached full-year statutory financial report
9.	**Net tangible assets per security.**	**Current year:** 0.28 cents per share. **Prior year**: Nil (Consolidated Entity had net liabilities as at balance date).
10.	**Details of entities over which control has been gained or lost during the period.**	None.
11.	**Details of joint venture entities and associated entities.**	None.
12.	**Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position**	Refer to the attached full-year statutory financial report
13.	**Accounting standards used in compiling reports by foreign entities (e.g. International Accounting Standards).**	Not applicable.
14.	**A commentary on the results for the period.**	Refer to the attached full-year statutory financial report
15.	**A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed.**	Refer Page 1 of this Appendix 4E. This report is based on audited accounts.
16.	**If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification.**	Not applicable.

APOLLO

CONSOLIDATED LTD

ACN 102084917

Annual Report for the Year Ended

30 June 2010

Annual Report for the Year Ended 30 June 2010

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Corporate Directory

Directors

Mr Roger Steinepreis –Non- Executive Chairman

Mr George Ventouras –Executive Director

Mr Nick Castleden - Non-Executive Director

Company Secretary

Mr Alex Neuling

Registered and Principal Administrative Office

C/- Steinepreis Paganin

Level 4, The Read Buildings

16 Milligan Street

Perth WA 6000

Australia

Auditors

Deloitte Touche Tohmatsu

Woodside Plaza,

Level 14, 240 St Georges Terrace,

Perth WA 6000

Australia

Stock Exchange Listing

Australian Stock Exchange

Home Exchange: Perth, Western Australia

Code: AOP

Bankers

National Australia Bank Limited

Ground Floor, 50 St Georges Terrace

Perth WA 6000

Share Registry

Computershare Investor Services Pty Limited

Level 2

45 St Georges Terrace GPO BOX D182

PERTH WA 6000 Perth WA 6840

Telephone: 08 9323 2000

Fax: 08 9323 2033

Directors' Report

The directors of Apollo Consolidated Limited (the "Company") submit herewith the annual financial report of the company for the financial year ended 30 June 2010. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors & Senior Management
The names and particulars of the directors of the Company during or since the end of the financial year are:

Current Directors:

Roger Steinepreis (appointed 4 August 2009)
Non-executive Chairman, Chair of Nomination, Remuneration and Risk Committees
Roger Steinepreis graduated from the University of Western Australia where he completed his law degree. He was admitted as a barrister and solicitor of the Supreme Court of Western Australia in 1987 and has been practising as a lawyer for approximately 22 years.

He is the legal adviser to a number of public companies on a wide range of corporate related matters. His areas of practice focus on company restructures, initial public offerings and takeovers. Mr Steinepreis is a non-executive director of ASX Listed Imugene Limited, Adavale Resources Limited and ComTel Corporation Limited and the Chairman of Avonlea Minerals Limited.

As at the date of this report Mr Steinepreis has an indirect interest in 50,000,000 fully paid ordinary shares and 10,000,000 options.

George Ventouras (appointed 4 August 2009)
Executive Director, Member of Audit, Remuneration and Risk Committees
George Ventouras is a marketing consultant with over 20 years' experience in marketing, business development and general management roles. He has consulted with companies both nationally and internationally, in relation to the development and capitalisation of projects, the supply of infrastructure and equipment and provision of administrative and logistical support. Mr Ventouras has experience in various market categories including industrial, particularly aquaculture, consumer and luxury goods.

As at the date of this report Mr Ventouras holds an interest in 10,000,000 fully paid ordinary shares and 5,000,000 options.

Nick Castleden (appointed 4 August 2009)
Non-Executive Director, Chair of the Audit Committee, Member of Remuneration and Risk Committees
Nick Castleden is a geological consultant with 19 years' experience in the Australian and overseas mineral exploration and development industry. He has worked with active Australian mining companies including Mt Isa Mines (MIM), Perilya Mines, MPI Mines, LionOre and Breakaway Resources in various exploration, geological and management capacities. Mr Castleden has worked on projects in Australia and North and South America, and in project generative and acquisition roles. He has particular experience in the gold and nickel and basemetal exploration business and has participated in the discovery and delineation of new nickel-sulphide and gold systems that have progressed through feasibility studies to mining.

Directors' Report

As at the date of this report Mr Castleden holds an interest in 15,000,000 fully paid ordinary shares and 5,000,000 options.

Former Directors

John Priest BBus FCPA FAICD (Former Chairman and Chief Executive Officer, member of the Remuneration Committee and of the Audit and Risk Committee). Resigned 4 August 2009.

Mr Priest was the founder of Apollo's Life Sciences businesses and oversaw its development and growth as Chief Executive Officer and Chairman from the Company's inception in September 2002 until the appointment of voluntary administrators in October 2009. His experience covers industries including consumer products, technology and communications through to established infrastructure companies. Mr Priest was Chief Financial Officer and Director of Corporate Development at Coca-Cola Amatil. In addition, Mr Priest is a current non-executive director of Sydney Water, and a non-executive director of Opera Foundation Australia, an affiliate of the Securities Institute of Australia, and a Fellow of the Australian Institute of Company Directors.

At the time of Mr Priest's resignation he held the following interests in share and options of the company (as adjusted for the effect of the Company's 1:20 consolidation of capital):

Fully Paid Ordinary Shares: 5,098,428 (held by Apollo Capital Pty Ltd)

Unquoted Options: 350,000

Paul Murnane BEc MBA ASIA FAICD (Former Independent Non-Executive Director, Chairman of the Audit and Risk Committee and the Remuneration Committee). Resigned 4 August 2009.

Mr Murnane has 25 years' experience in broking, commercial and investment banking, including Citibank, and, most recently, Goldman Sachs JBWere. He also served as Managing Director and Partner with Russell Reynolds Associates Inc, a leading global executive search firm, for 15 years. He is a non-executive Director of Multiple Sclerosis Limited, Multiple Sclerosis Research Australia and Multiple Sclerosis Australia, a non-executive Director of The Sydney Institute and a Member of the Library Council of New South Wales.

Mr Murnane held an indirect interest in 8,365 shares and 26,250 unquoted options (on a post share-consolidation basis) at the time he ceased to be a director.

Antony Basten AO FAA FTSE MBBS DPhil (Oxon) FRCP FRACP FRCPA (Former Independent Non-Executive Director, member of the Audit and Risk Committee and the Remuneration Committee). Resigned 4 August 2009.

Professor Basten is a distinguished clinical scientist who holds fellowships of the Australian Academies of Science and Technical Sciences and Engineering. He is an Emeritus Professor at the University of Sydney, a Senior Principal Research Fellow at the Garvan Institute and until recently was the foundation Executive Director of the Centenary Institute of Cancer Medicine & Cell Biology. He was winner of the inaugural Wellcome Australia medal for distinguished discovery and its demonstrated use, a Florey lecturer of the Royal Society, London and the chief Commonwealth advisor on the medical and scientific aspects of HIV/AIDS. He is also a director of Biotech Capital.

Professor Basten has experience in the running of clinical trials, and has served on the scientific advisory boards of biotechnology companies. In recognition of his contributions to medicine and health and medical research he became an Officer in the General Division Order of Australia and was elected to

Directors' Report

Fellowship of the Australian Academies of Science and Technological Sciences and Engineering and received a Centenary Medal from the Prime Minister of Australia.

Professor Basten was the registered holder of 500 shares and 20,500 unquoted options(on a post share-consolidation basis) at the time he ceased to be a director.

Company Secretary
Mr Alex Neuling BSc. ACA ACIS (appointed 31 August 2009).
Mr Neuling is a principal of Erasmus Consulting Pty Ltd, which provides company secretarial and financial management consultancy services to a variety of ASX-listed and other companies. Mr Neuling is a Chartered Accountant (UK) and Chartered Secretary with more than 10 years of experience in commerce and public practice and also holds a degree in Chemistry. Mr Neuling is also a director of ASX-listed RTL Corporation Limited.

Mr Peter Harris held the position of Company Secretary until Mr Neuling's appointment. Mr Harris is a chartered accountant and experienced management consultant.

Former Partner of the Audit Firm
There was no partner or former partner of the audit firm who was an officer of the Company at any time during the year.

Remuneration of directors and senior management
Information about the remuneration of directors and senior management is set out in the remuneration report of this directors' report on pages 11 to 15.

Principal Activities
Apollo Consolidated Ltd is an Australian company listed on the Australian Securities Exchange (ASX code AOP). Apollo's main businesses are the marketing and distribution of Ellipse Skin Science range of cosmetics and its minerals exploration business unit, including Apollo's 100% ownership of the Rebecca Gold Project. It is also the intention of Apollo's board to identify new opportunities in related or non-related industries that may increase shareholder value.

About Ellipse Skin Science
The range of cosmetics branded as Ellipse Skin Science uses Apollo's patented Intradel® technology as well as micro-droplet emulsion and oil / water cream emulsion technologies, to provide superior skin care protection and rejuvenation. Product details and ordering information are available at www.ellipseskin.com.au.

About the Rebecca Gold Project
The Rebecca project is located in the southern Laverton Tectonic Zone (LTZ), 150km east of Kalgoorlie, WA. The LTZ is a regional scale shear/fault system that has proved to be one of the more productive gold trends in the WA Goldfields, hosting the Sunrise-Cleo, Wallaby, Lancefield and Granny Smith gold camps with a combined gold endowment of well over 20Moz.

The project is characterised by sulphide-rich structural lodes within broad zones of >0.10g/t Au bedrock gold anomalism. Previous wide-spaced RC drilling has identified three key areas Redskin, Duke and Bombora, each of which have returned encouraging gold intercepts that remain open at depth and along strike.

Directors' Report

Review of Operations & Changes in State of Affairs

CORPORATE

On 30 March 2009, at which point the Company was subject to a Deed of Company Arrangement ("DOCA"), creditors resolved, subject to shareholder approval, to accept a recapitalisation proposal from Blueknight Corporation Pty Ltd ("Blueknight") under which the Company would:

- Retain an interest in its Over-the-Counter ("OTC") skin care business, including all stock and associated materials;
- Enter into a Creditors' Trust Deed for the purposes of satisfying approved creditor claims;
- Consolidate its existing capital on a 1 for 20 basis;
- Change the name of the Company to Apollo Consolidated Limited;
- Undertake capital-raisings constituting the issue of up to 450 million new fully paid ordinary shares (post-consolidation, including over-subscriptions) and 50 million free attaching options to raise up to $2,125,000 before the payment of $350,000 into the creditors pool under the Creditors' Trust and costs of the proposal; and,
- Appoint new Directors nominated by Blueknight upon the resignation of the previously serving Directors.

Blueknight is a related party of Mr Roger Steinepreis, one of the directors appointed on 4 August 2009.

At a meeting held on 4 August 2009, shareholders voted to accept the proposal and the current Board was appointed.

A prospectus in respect of the capital-raisings was lodged on 4 September 2009. Subsequently, on 30 September 2009, the Company lodged a supplementary prospectus to extend the total oversubscriptions which could be accepted by a further 20,000,000 shares. On 5 October 2009 the Company announced that the capital-raisings had been completed and had raised a total of $2,225,000 before costs and the payment of $350,000 into the creditors pool. The Company intends to apply these funds to development of its existing assets (the OTC business), the review and evaluation of new projects and general working capital purposes. Following the payment to the creditors pool, the Deed Administrators advised on 2 October 2009 that the DOCA had been fully effectuated.

Following the effectuation of the DOCA the Company applied for reinstatement to trading of the Company's fully paid ordinary shares (ASX: AOP) and this occurred on 7 October 2009.

ELLIPSE SKIN SCIENCE

The Company has continued to conduct test marketing and refine strategies for future distribution of the Ellipse range. Several social media applications are being tested in order to form part of the overall distribution strategy moving forward.

Apollo has also supported consumer cosmetic sites which are able to provide below-the-line marketing and, in conjunction with this, competitions have been sponsored to target the same consumer market.

Directors' Report

In addition, the Company has initiated negotiations to appoint a distributor to undertake a trial marketing phase for Indonesia, Singapore and China. Apollo is excited about the prospects for these international markets as the demographic and consumer profile suits the product range and the existing target market.

New products are still being considered for current markets and for new market segments which may provide the Company with additional growth opportunities.

MINERALS EXPLORATION

- *Rebecca Gold Project (E28/1610, E28/2008, E28/2057 & P28/1127) AOP 100%*

On 14 October 2009, consistent with the Company's previously stated strategy to consider investments in other sectors, Apollo announced the acquisition of an 80% interest in the Rebecca Gold Project, located in the southern Laverton Tectonic Zone, 150km east of Kalgoorlie, WA.

Apollo has built a solid tenement position in the Rebecca area and continues to evaluate nearby opportunities. Previous wide-spaced RC drill holes have defined broad zones of gold mineralisation associated with disseminated sulphides in granite and gneiss host rocks. Apollo sees good potential to extend and quantify known mineralisation at the Duke, Redskin and Bombora prospects, and to locate new mineralised positions along strike.

Agreement was reached during the March quarter of 2010 to purchase the residual 20% of the key tenement (E28/1610) not owned by the Company. Tenement applications were also lodged to secure an additional 9 square km of prospective geology in adjacent areas. The combined 220 square km 100%-owned ground position places Apollo in a strong position to progress exploration in the area.

Targeting and access work is continuing ahead of drill-testing. During the year heritage surveys were successfully completed over key target areas on E28/1610 and the Company is awaiting the receipt of the consulting anthropologists report to allow submission of exploration permitting.

- *New Minerals Business*

The Company was also active in the evaluation of various domestic and international minerals projects presented during the year. The minerals business unit will continue to assess and pursue opportunities that offer clear potential to add shareholder value.

During the financial period, there was no other significant change in the state of affairs of the Consolidated Entity other than as referred to above and in the financial statements or notes thereto.

Results

The Consolidated Entity recorded a profit after tax for the year ended 30 June 2010 of $291,640 (2009: Loss of $1,742,745). Loss from continuing activities was $357,084, compared with a loss of $644,865 in the prior year.

Directors' Report

Subsequent Events
Subsequent to balance date, on 19 July 2010 the Company announced that it had entered into an agreement with unlisted Australian explorer, Aspire Minerals Pty Ltd ("Aspire") to make offers of options to acquire a 90% interest in over 3,000 square kilometres of highly-prospective greenstone terrain in northern and central Cote d'Ivoire. Under the agreement Apollo has paid a non-refundable fee of $100,000 to Aspire in consideration of the Aspire Directors recommending acceptance of the option offers to its shareholders. An additional amount of up to $150,000 will be made available to Aspire as an unsecured loan for working capital.

The shareholders of Aspire have all also entered into option agreements for Apollo to acquire their shares. The options are exercisable for a 3 month term with the ability to extend the term to 6 months by consent of the parties.

The options, if exercised, will place Apollo in a strong position with respect to high quality exploration ground in one of the least explored terrains of the West African goldfields. The untapped potential of Cote d Ivoire has delivered great returns to early entrants in recent years, with new operations such as the 1.5Moz Bonikro (Lihir-Newcrest) and 4.3Moz Tongon (Randgold) deposits being commissioned and exploration successes by groups such as Perseus.

On exercise of the options, Apollo will acquire 100% of Aspire, which entity has the rights to three projects - Seguela, Tengrela and Korhogo held under five large permits.

If the options are exercised, the total consideration payable by Apollo to the shareholders of Aspire is:

(a) 250,000,000 fully paid ordinary shares in the capital of Apollo;
(b) 125,000,000 Performance Shares which will vest upon the announcement of at least 500,000 ounces of gold in JORC inferred resources for a sole project identified within the combined Permits area, at a grade equal to or above 1.80g/t (gram per tonne) gold; and
(c) 125,000,000 Performance Shares which will vest upon the announcement of at least 1m ounces of gold in JORC inferred resources for a sole project identified within the combined Permits area, at a grade equal to or above 1.80g/t gold.

It is a condition of the exercise of the options that an exploration permit is granted in respect of the Seguela Project and the permits remain in full force and effect.

Apollo will also raise up to $1,000,000 by the issue of 200,000,000 fully paid ordinary shares at 0.5 cents per share (subject to shareholder approval).

The exercise of the options will be an event which will require the Company to re-comply with the requirements of chapters 1 and 2 of the ASX Listing Rules, including seeking shareholder approval to the acquisition, issuing a prospectus, consolidating its capital (on a ratio to be determined) and obtaining shareholder spread in accordance with those rules. After the completion of the re-compliance process the Company intends to issue options (Loyalty Options) on a one for two basis to all shareholders, the terms and conditions of which will be advised at the time.

Directors' Report

There has not been any matter or circumstance, other than as disclosed above or elsewhere in this report, 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

Following the effectuation of the DOCA, the Company intends to concentrate its activities towards the development of its existing assets (the OTC business) and the review and evaluation of new projects with the potential to add to shareholder wealth.

Other than this, the directors believe that disclosure of further 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.

Share Options on Issue at Report Date or Exercised During the Year

Details of unissued ordinary shares under option at the date of this report (on a post share-consolidation basis) are:

Issuing entity	Number of Shares Under Option	Class of Shares	Exercise Price of Option	Expiry Date of Options
Apollo Consolidated Limited	**45,000,000**	**Ordinary**	**$0.005**	31/12/2012
Apollo Consolidated Limited	**10,000**	**Ordinary**	**$13.000**	1/03/2011
Apollo Consolidated Limited	**100,000**	**Ordinary**	**$13.000**	20/05/2011
Apollo Consolidated Limited	**2,500**	**Ordinary**	**$13.000**	24/11/2011
Apollo Consolidated Limited	**330,000**	**Ordinary**	**$10.000**	1/02/2012
	45,442,500			

The holders of such options do not have the right, by virtue of the option, to participate in any share issue of any other body corporate.

During the financial year 50,000,000 new options were granted pursuant to shareholder approval as part of the Recapitalisation. 5,000,000 new fully paid ordinary shares were subsequently issued as a result of the exercise of 5,000,000 of these options at $0.005 per share.

Dividends

The directors resolved that no dividend be paid for the year (2009: nil).

Indemnification of Officers and Auditors

During the financial year, the Company paid a premium in respect of a contract insuring all the directors and officers of the Consolidated Entity against liabilities incurred in their capacities as directors and officers to the extent permitted by the Corporations Act 2001.

Disclosure of the nature of the liabilities covered and the amount of the premium is prohibited by a confidentiality clause in the contract of insurance.

Directors' Report

The Company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or an auditor of the Company or of any related body corporate against a liability incurred as such 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, 12 board meetings, no remuneration committee meetings and two audit committee meeting were held. Remuneration committee matters were covered as necessary in Board meetings.

	Board of Directors		Remuneration Committee		Audit Committee	
Directors	**Held***	**Attended***	**Held***	**Attended***	**Held***	**Attended***
Roger Steinepreis	12	12	-	-	2	2
Nick Castleden	12	12	-	-	2	2
George Ventouras	12	12	-	-	2	2

**Note: The above includes matters determined by circulating resolution.*

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in the notes to the financial statements.

The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 8 to the financial statements do not compromise the external auditor's independence, based on advice received from the Audit Committee, for the following reasons:

- None of the services undermine the general principals relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 16 of the financial statements.

Directors' Report– Remuneration Report

Remuneration Report

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of Apollo Consolidated Limited's directors and key management personnel (as defined in AASB 124) for the financial year ended 30 June 2010. The prescribed details for each person covered by this report are set out below.

Key Management Personnel details

The term "key management personnel" is used in this remuneration report to refer to the following persons employed by the Consolidated Entity. Except as noted, the named persons held their current position for the whole of the financial period and since the end of the financial year.

The key management personnel of the Consolidated Entity during or since the financial year ended 30 June 2010 are the directors of the Company and those executives that report to the Chairman:

Directors

- Mr R Steinepreis (appointed 4 August 2009);
- Mr G Ventouras (appointed 4 August 2009);
- Mr N Castleden (appointed 4 August 2009);
- Mr J Priest (resigned 4 August 2009);
- Mr P Murnane (resigned 4 August 2009); and,
- Mr A Basten (resigned 4 August 2009).

Other Key Management Personnel

- Mr A Neuling (Company Secretary) Company Executive appointed 31 August 2010

Other than as named above, there were no officers or employees meeting the definition of key management personnel during or since the year to 30 June 2010.

Remuneration Policy for Directors and Executives

The Board in its capacity as the Remuneration Committee reviews the remuneration packages of the directors and key management personnel of the Company and makes recommendations to the Board. Remuneration packages are reviewed and determined with due regard to the duties, responsibilities and performance of each director and senior executive, and current market rates.

Remuneration and other terms of employment are reviewed periodically based on each director's or senior executive's performance and achievements over the review period.

Directors' Report– Remuneration Report

Non-executive Directors

Fees paid to non-executive directors are set to reflect the demands made on the directors and their individual responsibilities. The level of fees was reviewed by the Board in May 2005 against market data and with reference to the maximum amount approved under s 6.5 (a) of the Company's Constitution. The maximum annual non-executive directors' fees payable in aggregate is $200,000.

No additional fees are payable to members of any of the Board's committees.

Executive & non-executive directors may receive share options under the Employee Share Option Plan.

Retirement Benefits

The Company does not have a retirement benefit scheme for non-executive directors.

Key management personnel and other employees are given the option to choose their own superannuation fund for employer contributions.

Base Pay

Base pay is calculated on the basis of a total employment cost package which may be provided as a mix of cash and prescribed non-cash benefits at the executive's discretion. Base pay is reviewed periodically to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion. There are no guaranteed base pay increases in any senior executive's contracts.

Short-Term Incentives

The Board may occasionally offer separate short-term incentives to key management personnel to ensure that key employees remain outcome-oriented. Incentives are set based on defined performance targets, usually on a project-based scenario. Using such targets ensures bonuses are only paid when value has been created for shareholders and when results are consistent with the strategic plans of the business.

Long-Term Incentives

The Company provides long-term incentives to directors, executives and employees in the form of share options in the Company. These incentives are designed to align the interests of shareholders, directors, executives and employees. Issues can be made by shareholder resolution or under the Company's Employee Share Option Plan (ESOP). Under the ESOP, executives and other staff may be invited by the Board to subscribe for share options in the Company. Once approved by the Board, the options are issued in the name of the participants but are subject to a restriction on exercise for periods of up to three years (from date of issue) reflecting the period of service to be provided to the Company.

Directors' Report– Remuneration Report

Relationship between the remuneration policy and Company performance

The table below sets out summary information about the Consolidated Entity's earnings and movements in shareholder wealth for the five years to 30 June 2010.

	2010 $	2009 $	2007 $	2006 $	2005 $
Revenue & other income (including discontinued operations)	685,438	156,812	1,151,794	530,986	426,349
Profit / (loss) attributable to members of the parent entity	291,640	(1,742,745)	(8,222,672)	(10,060,973)	(6,884,846)
Share price at start of year	n/a*	$0.04*	$0.26*	$0.37*	$1.01*
Share price at end of year	$0.007	$0.04*	$0.04*	$0.26	$0.37*
Dividends		-	-	-	-
Basic earnings/ (loss) per share (cents)	0.08	(0.9)	(4.3)	(5.9)	(4.5)
Fully diluted earnings / (loss) per share (cents)	0.07	(0.9)	(4.3)	(5.9)	(4.5)

**Trading suspended from March 2008 until October 2009. Share prices for 2009 and earlier periods are stated prior to the 1:20 share consolidation.*

Given the nature and early stage of its former and current businesses, the Company has historically not judged performance by financial measures but by scientific advancement such as progressing patents and development of technologies. It is likely that remuneration in the near future will also not be linked to standard financial measures of performance.

Elements of Director and Executive Remuneration

Remuneration packages contain the following key elements:

(a) Primary benefits – salary, fees and bonuses;
(b) Post-employment benefits – including superannuation;
(c) Equity – share options granted under the ESOP or by shareholder resolution as disclosed in note 7 to the financial statements; and
(d) Other benefits.

Directors' Report– Remuneration Report

The following table discloses the remuneration of the directors of the Company and key management personnel of the Consolidated Entity:

2010	Short-term Employee Benefits Salary & Fees $	Bonus $	Non-monetary $	Post Employment benefit Superannuation $	Share based payments options & rights* $	Total $	% of compensation for the year consisting of options
Non-executive directors							
R. Steinepreis	18,000	-	-	-	-	18,000	0%
N. Castleden	53,179	-	-	661	-	53,840	0%
G.Ventouras	58,000	-	-	-	-	58,000	0%
Other Key Management Personnel							
A.Neuling	53,176	-	-	-	-	53,176	0%
Total	182,355	-	-	661	-	183,016	

*Shares and options held by current directors and key management personnel were purchased by directors and key management personnel in their capacity as investors.

2009	Salary & Fees $	Bonus $	Non-monetary $	Superannuation $	Share based payments options & rights* $	Total $	% of compensation for the year consisting of options
Executive directors							
J. Priest	39,967	-	11,402	3,335	119,047	173,480	68.6%
Non-executive directors							
P. Murnane	10,586	-	-	953	11,905	23,443	50.8%
A. Basten	10,586	-	-	953	11,905	23,443	50.8%
Other Key Management Personnel							
V.Midgley (i)	41,832	-	-	-	-	41,832	0.0%
Total	102,972	-	11,402	5,241	142,857	262,198	

Directors' Report– Remuneration Report

Share Options

The Company provides long-term incentives to directors, executives and employees in the form of share options in the Company. These incentives are designed to align the interests of shareholders, directors, executives and employees. Issues can be made by shareholder resolution or under the Company's Employee Share Option Plan (ESOP).

The Employee Share Option Plan (ESOP) entitles the directors to issue share options in the Company to employees selected by the directors. Directors may also receive share options under the ESOP. On acceptance of the offer of options under the scheme, employees (including directors) receive options in the Company. The number of options granted and basis of grant is determined at the discretion of the directors. In accordance with the terms of the ESOP, options may be exercised at any time from the date of their vesting to the date of their expiry. Share options carry no rights to dividends and no voting rights.

Assuming any stipulated performance criteria have been achieved, all options vest on the completion of the defined service period. All options issued under the ESOP lapse on termination of employment, if this is prior to vesting date. 50,000 options issued to former key management personnel of the Company lapsed unexercised during the year.

No options were granted under the ESOP during the current or prior year, however the following share-based payment arrangements were in existence during the year:

Number*	Grant Date	Vest Date	Expiry Date	Exercise Price*	Fair Value at Grant Date Per Option
20,000	20/05/05	01/03/07	01/03/10	$11.00	20c
30,000	20/05/05	20/05/07	20/05/10	$11.00	21c
100,000	20/05/05	20/05/08	20/05/11	$13.00	20c
191,750	20/05/05	20/05/08	20/05/11	$11.00	23c
44,500	24/11/05	24/11/08	24/11/11	$13.00	28c
10,000	07/03/06	01/03/08	01/03/11	$13.00	22c
3,350	30/03/06	01/10/07	01/10/10	$12.00	25c
6,650	30/03/06	01/10/08	01/10/11	$12.00	28c
72,500	30/03/06	01/03/09	01/03/12	$13.00	27c
25,000	30/03/06	01/03/09	01/03/12	$15.00	25c
330,000	29/01/07	01/02/09	01/02/12	$10.00	20c

**All option numbers and exercise prices are stated as adjusted under the Listing Rules for the share consolidation which took place during the year.*

Directors' Report– Remuneration Report

Share Options Granted to Directors and Executives

No share options were granted to directors or key management personnel of the Consolidated Entity as part of their remuneration during or since the current or prior year.

The following grants of share based compensation to directors and key management personnel relate to remuneration expense recognised in the previous financial year, as a result of options granted in earlier financial years over their vesting periods *(all option numbers and exercise prices are stated on a post-consolidation basis):*

	Vested	Granted		Terms and conditions of each grant				
	Number	Number	Grant date	Value of option at grant date	Exercise price per share	First exercise date	Last exercise date	% of grant forfeited
				Cents	Cents			
Directors								
J. Priest	-	100,000	29 Jan 2007	20.4	$10.00	1 Feb 2009	1 Feb 2012	0%
P. Murnane	-	10,000	29 Jan 2007	20.4	$10.00	1 Feb 2009	1 Feb 2012	0%
A. Basten	-	10,000	29 Jan 2007	20.4	$10.00	1 Feb 2009	1 Feb 2012	0%
	100,000	-	29 Jan 2007	20.4	$10.00	1 Feb 2009	1 Feb 2012	0%
	10,000	-	29 Jan 2007	20.4	$10.00	1 Feb 2009	1 Feb 2012	0%
G. Russell-Jones	100,000	-	29 Jan 2007	20.4	$10.00	1 Feb 2009	1 Feb 2012	0%
Totals	**210,000**	**120,000**						

Following the consolidation of capital approved by shareholders on 4 August 2009, the numbers of options on issue was amended in accordance with Listing Rule 7.22.1 on the basis of one post-consolidation option for every twenty pre-consolidation options. The exercise price of the options was amended in inverse proportion to that ratio.

Directors' Report– Remuneration Report

Service Agreements

All Service Agreements relating to former directors and key management personnel have been terminated. Remuneration and other terms of employment for the current directors are not yet formalised in service agreements. Remuneration for Company Secretarial services are set out in a contract with Erasmus Consulting Pty Ltd which is based on a minimum monthly retainer of $2,250 (excluding GST) and an hourly rate for additional work performed outside the scope of the retainer. The contract has a 3 month notice period.

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

Roger Steinepreis
Director
Perth, 30 August 2010

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
Apollo Consolidated Limited
Level 4, The Read Buildings
16 Milligan Street
Perth, WA 6000

30 August 2010

Dear Board Members

Apollo Consolidated Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Apollo Consolidated Limited.

As lead audit partner for the audit of the financial statements of Apollo Consolidated Limited for the financial year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Leanne Karamfiles
Partner
Chartered Accountants

Deloitte.

Deloitte Touche Tohmatsu
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Independent Auditor's Report to the Members of Apollo Consolidated Limited

We have audited the accompanying financial report of Apollo Consolidated Limited, which comprises the consolidated balance sheet as at 30 June 2010, and the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration 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 as set out on pages 20 to 62.

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 Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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 the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control 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 control. 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.

Deloitte.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

(a) the financial report of Apollo Consolidated Limited is in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of the consolidated entity's financial position as 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*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 16 of the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Apollo Consolidated Limited for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Leanne Karamfiles
Partner
Chartered Accountants
Perth, 30 August 2010

Directors' Declaration

The directors declare that:

(a) 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;
(b) the attached financial statements are in compliance with International Financial Reporting Standards as stated in note 1 to the financial statements;
(c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Consolidated Entity; and
(d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

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

Roger Steinepreis
Director
Perth, 30 August 2010

Consolidated Statement of Comprehensive Income
for the Financial Year Ended 30 June 2010

	Note	2010 $	2009 $
Continuing operations			
Revenue	(2)	**4,089**	551
Other income	(2)	**32,625**	5,053
Changes in inventory of finished goods & work in progress		**(773)**	(162)
Finance expense	(2)	**-**	(6,584)
Employee benefit expense	(2)	**(8,000)**	(230,413)
Consulting expense		**(168,648)**	(259,770)
Compliance & administrative expenses	(2)	**(139,173)**	-
Advertising & marketing		**(46,221)**	(251)
Other expenses		**(30,981)**	(153,289))
Loss before income tax benefit from continuing operations		**(357,084)**	(644,865)
Income tax benefit	(5)	**-**	-
Loss for the year from continuing operations		**(357,084)**	(644,865)
Discontinued operations			
Profit / (Loss) from discontinued operations	(4)	**648,724**	(1,097,880)
Net profit / (loss) for the year attributable to members of the Company		**291,640**	(1,742,745)
Other comprehensive income		**-**	-
Total comprehensive income for the financial year		**291,640**	(1,742,745)

Earnings / (loss) per share

Basic (cents per share)	(18)	**0.08**	(0.91)
Diluted (cents per share)	(18)	**0.07**	(0.91)
From continuing operations:			
Basic / Diluted (cents per share)	(18)	**(0.10)**	(0.34)

The above statement of comprehensive income should be read in conjunction with the notes to the financial statements

Consolidated Balance Sheet as at 30 June 2010

Assets	Note	2010 $	2009 $
Current assets			
Cash and cash equivalents		**1,237,258**	-
Trade and other receivables	(9)	**65,780**	-
Inventories	(10)	**17,176**	17,949
Assets allocated for settlement of DOCA	(4)		
Cash and cash equivalents		**-**	34,047
R&D rebate receivable		**-**	342,762
Total current assets		**1,320,214**	394,758
Capitalised exploration and evaluation expenditure	(12)	**124,711**	-
Total non-current assets		**124,711**	-
Total assets		**1,444,925**	394,758
Liabilities			
Current liabilities			
Liabilities to be settled under DOCA	(4)		
Employee payables		**-**	(68,935)
Trade payables and accruals		**-**	(847,598)
Related party borrowings		**-**	(109,000)
Trade and other payables	(13)	**(82,249)**	(450,500)
Total current liabilities		**(82,249)**	(1,476,033)
Total liabilities		**(82,249)**	(1,476,033)
Net assets / (liabilities)		**1,362,677**	(1,081,275)
Equity			
Issued capital	(16)	**33,386,021**	31,233,709
Reserves	(18)	**2,016,401**	2,016,401
Accumulated losses	(17)	**(34,039,745)**	(34,331,385)
Total equity / (deficit)		**1,362,677**	(1,081,275)

The above consolidated balance sheet should be read in conjunction with the notes to the financial statements

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

	Note	2010 $	2009 $
Share capital	(16)		
At the beginning of the year		**31,233,709**	31,233,709
Shares issued (net of issue costs)		**2,152,312**	-
At the end of the year		**33,386,021**	31,233,709
Share-based payment reserve	(18)		
At the beginning of the year		**2,016,401**	1,871,655
Pro-rata option vesting expense recognised during the period		**-**	144,746
At the end of the year		**2,016,401**	2,016,401
Accumulated losses	(17)		
At the beginning of the year		**(34,331,385)**	(32,588,640)
Profit / (Loss) for the year		**291,640**	(1,742,745)
At the end of the year		**(34,039,745)**	(34,331,385)
Total equity / (deficit)			
At the beginning of the year		**(1,081,275)**	516,724
At the end of the year		**1,362,677**	(1,081,275)

The above consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements

Consolidated Cash Flow Statement for the year ended 30 June 2010

	Note	2010 $	2009 $
Cash flows from operating activities			
Receipts from customers		**1,106**	67,349
Payments to suppliers and employees		**(474,073)**	(998,778)
Income tax rebates		**-**	255,362
Net cash outflow from operating activities	(24a)	**(472,967)**	(676,067)
Cash flows from investing activities			
Payments for capitalised exploration and evaluation expenditure		**(124,711)**	-
Proceeds from disposal of property, plant & equipment		**-**	363,975
Interest received		**32,625**	6,576
Net cash inflow (outflow) / inflow from investing activities		**(92,086)**	370,551
Cash flows from financing activities			
Proceeds from issues of shares and options		**2,250,000**	-
Less costs of issue		**(97,688)**	-
Payment to creditors' trust		**(350,000)**	-
Proceeds from borrowings – related parties		**-**	109,000
Interest paid		**-**	(6,566)
			-
Net cash inflow from financing activities		**1,802,311**	102,434
Net increase / (decrease) in cash and cash equivalents		**1,237,258**	(203,082)
Cash and cash equivalents at the beginning of the period		**-**	237,129
Cash and cash equivalents at the end of the period		**1,237,258**	-
Cash and cash equivalents allocated for DOCA settlement		*-*	*34,047*

The above consolidated cash flow statement should be read in conjunction with the notes to the financial statements

Notes to the Financial Statements for the financial year ended 30 June 2010

1. Summary of Accounting Policies

Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. The financial report comprises the consolidated financial statements of the Group. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the consolidated financial statements and notes of the Consolidated Entity and the parent entity comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 30 August 2010.

Adoption of new and revised Accounting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

The following Standards and Interpretations were adopted:

- AASB 101 Presentation of Financial Statements (revised September 2007), AASB2007-8 Amendments to Australian Accounting Standards arising from AASB 101
- AASB 123 Borrowing Costs (revised), AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123
- AASB 8 Operating Segments, AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8
- AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101
- AASB 2008-1 Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations
- AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- AASB 2009-2 Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments

The adoption of these standards and interpretations did not have any effect on the financial position or performance of the Consolidated Entity.

The Consolidated Entity has not elected to early adopt any new standards or amendments.

Notes to the Financial Statements for the financial year ended 30 June 2010

Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, a number of Standards and Interpretations were in issue but not yet effective.

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• **AASB 124** ***Related Party Disclosures*** **(2009), AASB 2009-12** ***Amendments to Australian Accounting Standards***	1 January 2011	30 June 2011
• **AASB 9** *Financial Instruments*, AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9*	1 January 2013	30 June 2013

Basis of Preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

In the application of A-IFRS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

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

(b) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and investments in money market instruments.

(c) Employee Benefits

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.

Notes to the Financial Statements for the financial year ended 30 June 2010

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which 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 Consolidated Entity in respect of services provided by employees up to reporting date.

During a prior year the Consolidated Entity introduced Superannuation Choice to employees. This followed the Federal legislation whereby employees are given the freedom to choose their own superannuation fund for employer contributions.

Until the introduction of Superannuation Choice, the Consolidated Entity participated in the MLC Employee Retirement Plan, which is a defined contribution plan. The plan provided benefits to employees on retirement, resignation, disability or death. Employees are eligible to contribute to the plan at various percentages of their salaries and wages. The plan complied with all the requirements of the Insurance and Superannuation Commission at all times.

Contributions to defined contribution superannuation plans are expensed when incurred.

Exploration & Evaluation Expenditure
Costs incurred during exploration and evaluation related to an area of interest are accumulated. Costs are carried forward provided such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities in the area of interest have not at reporting date reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. In these instances the entity must have rights of tenure to the area of interest and must be continuing to undertake exploration operations in the area.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. Impairment indicators include:

- the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; and
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Notes to the Financial Statements for the financial year ended 30 June 2010

The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and is then reclassified to mine properties and development.

(d) 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. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

(e) Financial Assets

Investments in subsidiaries are initially measured at cost, net of transaction costs. Subsequent to initial recognition, investments in subsidiaries are measured at cost in the Company financial statements.

Trade receivables, loans, and other receivables are measured at fair value plus transaction costs upon initial recognition and are subsequently measured at amortised cost less impairment.

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

(f) 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 reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise.

(g) Goods and Services Tax

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

i. 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

ii. 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. Cash flows are included in the cash flow statement on a gross basis. The GST

Notes to the Financial Statements for the financial year ended 30 June 2010

component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(h) Impairment of Assets

At each reporting date, the Consolidated Entity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

(i) Income Tax

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and jointly controlled entities except where the Consolidated Entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Notes to the Financial Statements for the financial year ended 30 June 2010

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Consolidated Entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/Consolidated Entity intends to settle its current tax assets and liabilities on a net basis.

Current and Deferred Tax for the Period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill.

Tax Consolidation

The Company and all its wholly-owned Australian resident entities (with the exception of ACN 003759144 Pty Ltd) are part of a tax-consolidated group under Australian taxation law. Apollo Consolidated Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement. Further information about the tax funding arrangement is detailed in note 5 to the financial statements. Where the tax contribution amount recognised by each member of the tax-consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution from (or distribution to) equity participants.

(j) Research and Development Costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use it or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

Notes to the Financial Statements for the financial year ended 30 June 2010

- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

(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 first in first out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

(l) Leased Assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(m) Principles of Consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Consolidated Entity, being the Company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 127 'Consolidated and Separate Financial Statements'. A list of subsidiaries appears in Note 16 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 subsidiary 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 Consolidated Entity are eliminated in full.

(n) Payables

Trade payables and other accounts payable are recognised when the Consolidated Entity becomes obliged to make future payments resulting from the purchase of goods and services. Income arising on the forgiveness of amounts owed is not recognised until such time as a binding agreement for forgiveness is reached between all parties concerned.

Notes to the Financial Statements for the financial year ended 30 June 2010

(o) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value at the date of acquisition.

Depreciation is provided on laboratory plant, equipment and furniture. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Office and laboratory equipment	3 years
Office and laboratory furniture and fittings	3 years
Laboratory equipment under finance lease	3 years

(p) Provisions

Provisions are recognised when the Consolidated Entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(q) Revenue Recognition

<u>Sale of Goods</u>

Revenue from the sale of goods is recognised when the Consolidated Entity has transferred to the buyer the significant risks and rewards of ownership of the goods.

<u>Interest Revenue</u>

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(r) Share-based Payments

All equity-settled share-based payments are measured at fair value at the date of grant. Fair value is derived using a statistical option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Consolidated Entity's estimate of shares and options that will eventually vest.

Notes to the Financial Statements for the financial year ended 30 June 2010

2. Loss from Operations

	Consolidated	
	2010	2009
	$	$
(a) Revenue & other income		
Continuing operations		
Revenue from the sale of goods	**4,089**	551
Other income		-
Interest income (other)	**32,625**	5,053
	32,625	5,053
Discontinued operations		
Revenue from the sale of services	**-**	41,687
	-	41,687
Net Gain on disposal of fixed assets	**-**	109,454
Creditor Forgiveness under DOCA	**648,724**	
Other income	**-**	67
	648,724	109,521

(b) Loss before income tax

Loss before income tax has been arrived at after charging the following expenses:

	2010 $	2009 $
Continuing Operations		
Finance costs		
Arrangement fees and charges	-	(6,485)
Other interest	-	(99)
	-	**(6,584)**
Depreciation of non-current assets	-	-
Operating lease rental expenses		
Minimum lease payments	**-**	-
Employee benefit expense		
Share based payments		
Equity settled share based payments	-	(144,746)
Post employment benefits		
Defined contribution plans	(661)	(5,478)
Other employee benefits	(7,339)	(80,189)
	8,000	(230,413)

Notes to the Financial Statements for the financial year ended 30 June 2010

	Consolidated 2010 $	2009 $
Discontinued operations		
Finance costs		
Finance lease interest	-	-
Other interest	-	-
	-	-
Depreciation of non-current assets		
Leased laboratory equipment	-	-
Office plant, furniture and fittings	-	(61,062)
	-	(61,062)
Provisions for impairment of:		
Raw materials and packaging	-	142,450
Prepayments and sundry receivables	-	91,842
Operating lease rental expenses		
Minimum lease payments	**-**	**(251,755)**
Employee benefit expense		
Share based payments		
Equity settled share based payments	-	**-**
Post employment benefits		
Defined contribution plans	-	**(51,214)**
Other employee benefits	-	**(115,794)**
	-	**(167,008)**

3. Critical accounting estimates and judgements

In preparing this Financial Report the Group has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

(a) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Deferred tax assets

The Group has carried forward tax losses which have not been recognised as deferred tax assets as it is not considered sufficiently probable that these losses will be able to be recouped by offset against future profits taxable in the appropriate jurisdictions.

(b) Critical accounting estimates

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the assumptions detailed in note 7.

4. Discontinued Operations and DOCA settlement

On 30 March 2009, creditors resolved to accept a recapitalisation proposal from Blueknight Corporation Pty Ltd ("Blueknight") subject to which (upon approval by shareholders) the Company would:

- Retain an interest in its Over-the-Counter ("OTC") skin care business, including all stock and associated materials;
- Enter into Creditors' Trust Deed for the purposes of satisfying approved creditor claims;
- Consolidate its existing capital on a 1 for 20 basis;
- Change the name of the Company to Apollo Consolidated Limited;
- Undertake two capital-raisings constituting the issue of up to a maximum aggregate of 450 million new fully paid ordinary shares (post-consolidation, including over-subscriptions) and 50 million free attaching options to raise up to $2,125,000 before the payment of $350,000 into the creditors pool under the Creditors' Trust and costs of the proposal; and,
- Appoint new Directors nominated by Blueknight upon the resignation of the previously serving Directors.

At a meeting held on 4 August 2009, shareholders voted to accept the proposal and the current Board was appointed. Accordingly, those businesses which are no longer part of the Company's ongoing activities, including contract manufacturing and research and development relating to drug delivery and new therapeutics have been classified as discontinued operations.

A prospectus in respect of the capital-raisings was lodged on 4 September 2009. Subsequently, on 30 September 2009, the Company lodged a supplementary prospectus to extend the total oversubscriptions which could be accepted by a further 20,000,000 shares. On 5 October 2009 the Company announced that the capital-raisings had been completed and had raised a total of $2,225,000 before costs and the payment of $350,000 into the creditors' pool.

Implementation of the proposal and effectuation of the DOCA has resulted in a net creditor forgiveness of approximately $648,724 during the current period, relative to the book value of liabilities as at 30 June 2009.

As at 30 June 2009, all operations of Apollo other than those relating to its corporate administration or the OTC business were classified as discontinued. Upon effectuation of the

Notes to the Financial Statements for the financial year ended 30 June 2010

DOCA, Apollo ceased to have any beneficial interest in these assets, which were then transferred to the Creditors' Trust in full and final settlement of outstanding pre-DOCA liabilities.

	Consolidated	
	2010	2009
	$	$
Assets allocated to settlement of DOCA		
Cash controlled by Deed Administrator	-	34,047
R&D rebate receivable	-	342,762
Total	-	376,809
Liabilities settled under DOCA		
Trade creditors and accruals	-	(847,598)
Provision for employee benefits	-	(68,935)
Unsecured borrowings from related party*	-	(109,000)
Total	-	(1,025,533)

**Relates to a loan to fund working capital provided by Apollo Capital Pty Ltd, a company associated with John Priest, a former director of the Company.*

Net accounting gain on effectuation	**648,724**	

Financial performance and cash flow information

The financial performance and cash flow information presented are for the years ended 30 June 2009 and 2010.

Consolidated profit / (loss) for the year from discontinued operations:		
Revenue	-	41,687
Other income		
Accounting Gain on DOCA effectuation	**648,724**	109,521
	648,724	151,208
Impairment provision – inventory	-	(142,450)
Changes in Inventory & WIP	-	-
Raw Materials & Consumables Used	-	(9,914)
Depreciation	-	(61,062)
Finance Cost Expense	-	-
Employee Benefit Expense	-	(167,008)
Consulting	-	(437,138)
Occupancy Expenses	-	(258,688)
Administrators, Deed Administrators and Trustees Expenses	-	(349,500)
Patent expenditure	-	(74,116)
Impairment of receivables from subsidiaries	-	-
Other Expenses	-	(91,975)
Profit / (loss) for the year from discontinued operations before tax	**648,724**	(1,440,643)
Tax benefit from discontinued operations	-	342,763
Profit / (loss) for the year after tax from discontinued operations	**648,724**	(1,097,880)
Total profit / (loss) from discontinued operations	**648,724**	**(1,097,880)**

Notes to the Financial Statements for the financial year ended 30 June 2010

Consolidated Cash flows from discontinued operations :

	2010	2009
	$	$
Net cash applied to operating activities	-	(300,181)
Net cash generated by /(applied to) investing activities	-	363,975
Net cash applied to financing activities	(350,000)	-
Net cash outflow from discontinued operations	**(350,000)**	**63,794**

During the year to 30 June 2010, as described more fully elsewhere in this note, there was a cash outflow relating to discontinued operations of $350,000 relating to the payment to the creditors' trust.

5. Income Taxes

	Consolidated	
	2010	2009
	$	$
(a) Income tax (expense) /benefit recognised in profit / (loss)		
Continuing Operations	-	-
Discontinued Operations		
S7B research and development expenditure rebate	-	342,763
Total tax benefit	**-**	**342,763**

The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax benefit in the financial statements as follows:

Profit / (loss) from operations	291,640	(1,742,745)
Income tax benefit / (expense) calculated at 30%	(87,492)	522,824
Non – assessable income	194,617	
Non-deductible expenses	-	-
Unused tax losses and tax offsets not recognised as deferred tax assets	(107,125)	(365,739)
Adjustments recognised in the current year in relation to the current tax of prior year	-	-
Temporary differences not brought to account	-	(166,085)
S7B research and development expenditure rebate	-	342,763
	-	342,763

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

Notes to the Financial Statements for the financial year ended 30 June 2010

Unrecognised Deferred Tax Balances
As at 30 June 2010 the Consolidated Entity had deferred tax assets not brought to account in relation to the tax losses (at 30%) of $8,978,991 (2009: $8,871,866), and temporary differences (at 30%) not brought to account of $ nil (2009: $204,799). No reliable estimate of the amount of tax losses which could be recognised as a deferred tax asset in the current year is available as it is not possible to accurately quantify the group's future profitability at its current stage of development. Management have not yet assessed whether the losses would pass the continuity of ownership test or the same business test. Management therefore believe that the group's tax losses do not meet the probable recognition criteria.

There is no expiry date attached to the tax losses.

The Consolidated Entity did not have any capital tax losses carried forward.

Tax Consolidation

Relevance of Tax Consolidation to the Consolidated Entity
The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 March 2006 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Apollo Consolidated Limited. The members of the tax-consolidated group are identified at note 15.

Nature of Tax Funding Arrangements and Tax Sharing Agreements
Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax-sharing agreement with the head entity. Under the terms of the tax funding arrangement, Apollo Consolidated Limited and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

6. Key Management Personnel ("KMP") Compensation

(a) KMP Compensation Policy

The Remuneration Committee reviews the remuneration packages of the directors and key management personnel of the Company and makes recommendations to the Board. Remuneration packages are reviewed and determined with due regard to the duties, responsibilities and performance of each director and senior executive, and current market rates.

Remuneration and other terms of employment are reviewed periodically based on each director's or senior executive's performance and achievements over the review period. Performance related remuneration to date has been set by reference to completion of

Notes to the Financial Statements for the financial year ended 30 June 2010

scientific milestones or key projects. No bonus targets have been set based on financial performance.

The KMP of the Company are the Directors and other executives reporting directly to the Chief Executive Officer

Directors

- Mr R Steinepreis (appointed 4 August 2009);
- Mr G Ventouras (appointed 4 August 2009);
- Mr N Castleden (appointed 4 August 2009);
- Mr J Priest (resigned 4 August 2009);
- Mr P Murnane (resigned 4 August 2009); and,
- Mr A Basten (resigned 4 August 2009).

Other KMP

- Mr A Neuling (Company Secretary) Company Executive appointed 31 August 2009
- Dr V. Midgley (Business Relations Director) resigned 24 October 2008

The aggregate compensation of the KMP of the Consolidated Entity is set out below:

	Consolidated	
	2010	2009
	$	$
Short-term employee benefits & consulting fees	**182,355**	114,102
Post-employment benefits	**661**	5,240
Share-based payments	**-**	142,856
	183,016	262,198

7. Share-Based Payments

The Company provides long-term incentives to directors, executives and employees in the form of share options in the Company. These incentives are designed to align the interests of shareholders, directors, executives and employees. Issues can be made by shareholder resolution or under the Company's Employee Share Option Plan (ESOP).

The Employee Share Option Plan (ESOP) entitles the directors to issue share options in the Company to employees selected by the directors. Directors may also receive share options under the ESOP. On acceptance of the offer of options under the scheme, employees (including directors) receive options in the Company. The number of options granted and basis of grant is determined at the discretion of the directors. In accordance with the terms of the ESOP, options may be exercised at any time from the date of their vesting to the date of their expiry. Share options carry no rights to dividends and no voting rights.

Assuming any stipulated performance criteria have been achieved, all options vest on the completion of the defined service period. All options issued under the ESOP lapse on termination of employment, if this is prior to vesting date. 50,000 ESOP options lapsed during the financial year.

Notes to the Financial Statements for the financial year ended 30 June 2010

No options were granted under the ESOP during the current or prior financial year, however the following share-based payment arrangements were in existence during the period:

Number*	Grant Date	Vest Date	Expiry Date	Exercise Price*	Fair Value at Grant Date Per Option
20,000	20/05/05	01/03/07	01/03/10	$11.00	20c
30,000	20/05/05	20/05/07	20/05/10	$11.00	21c
100,000	20/05/05	20/05/08	20/05/11	$13.00	20c
191,750	20/05/05	20/05/08	20/05/11	$11.00	23c
44,500	24/11/05	24/11/08	24/11/11	$13.00	28c
10,000	07/03/06	01/03/08	01/03/11	$13.00	22c
3,350	30/03/06	01/10/07	01/10/10	$12.00	25c
6,650	30/03/06	01/10/08	01/10/11	$12.00	28c
72,500	30/03/06	01/03/09	01/03/12	$13.00	27c
25,000	30/03/06	01/03/09	01/03/12	$15.00	25c
330,000	29/01/07	01/02/09	01/02/12	$10.00	20c

Following the consolidation of capital approved by shareholders on 4 August 2009, the numbers of options on issue was amended in accordance with Listing Rule 7.22.1 on the basis of one post-consolidation option for every twenty pre-consolidation options. The exercise price of the options was amended in inverse proportion to that ratio (i.e. options which were previously exercisable at 55c are now exercisable at $11.00).

Fair values are derived using a statistical option pricing model. Expected price volatility is based upon a combination of the historical standard deviation of share prices and estimates of future share price movements. The risk free rate adopted in prior years was either the yield on government bonds with a maturity matching the life of the option (at the time of granting) or the Reserve Bank Bill swap rate which did not give a materially different result in determining the risk free rate. Expected price volatility is based upon a combination of the historical standard deviation of share prices and estimates of future share price movements.

All equity-settled share-based payments are measured at fair value at the date of grant. Fair value is derived using a statistical option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. The option life is based on the date the option expires.

Notes to the Financial Statements for the financial year ended 30 June 2010

The table below sets out inputs into the statistical option pricing model as at the date of calculation (prior to the 1:20 share consolidation):

Number *(post-consolidation)*	**Number** *(pre-consolidation)*	**Grant Date**	**Option Life (Years)**	**Share Price at Grant Date** *(pre-consolidation)*	**Expected Volatility**	**Exercise Price** *(post-consolidation)*	**Risk-Free Interest Rate**
20,000	400,000	20/05/05	4.8	50c	42%	55c	5.60%
30,000	600,000	20/05/05	5.0	50c	42%	55c	5.60%
100,000	2,000,000	20/05/05	6.0	50c	42%	65c	5.60%
191,750	3,835,000	20/05/05	6.0	50c	42%	55c	5.60%
44,500	890,000	24/11/05	6.0	60c	42%	65c	5.70%
10,000	200,000	07/03/06	4.9	44c	42%	65c	5.75%
3,350	67,000	30/03/06	4.5	59c	42%	60c	5.75%
6,650	133,000	30/03/06	5.5	59c	42%	60c	5.75%
72,500	1,450,000	30/03/06	5.9	59c	42%	65c	5.75%
25,000	500,000	30/03/06	5.9	59c	42%	75c	5.75%
330,000	6,600,000	29/01/07	5.0	47c	51%	50c	6.03%

The following reconciles the outstanding share options granted under the ESOP and to directors at the beginning and end of the financial year:

	2010		**2009**	
	Number of Options $	**Weighted Average Exercise Price $**	**Number of Options $**	**Weighted Average Exercise Price $**
Balance at beginning of the financial year	9,850,000	$0.5393	9,850,000	$0.5393
Effect of Share Consolidation	(9,357,500)	$10.25	-	-
Granted during the financial year	-		-	-
Exercised during the financial year	-		-	-
Lapsed during the financial year	(50,000)	$11.00	-	-
Balance at end of the financial year	442,500	$12.01	9,850,000	$0.5393
Exercisable at the end of the financial year	442,500	$12.01	9,850,000	$0.5393

The ESOP share options outstanding at the end of the financial year have a weighted average remaining contractual life of 581 days.

Notes to the Financial Statements for the financial year ended 30 June 2010

8. Remuneration of Auditors

	Consolidated	
	2010	2009
	$	$
Auditor of the parent entity		
Audit or review of the financial report	**25,000**	25,000
Remuneration for other services:		
Taxation services	**-**	-
Advisory services	**-**	-
	25,000	25,000

The auditor of Apollo Consolidated Limited is Deloitte Touche Tohmatsu.

9. Current Trade and Other Receivables

Trade receivables	**2,983**	-
GST Receivable	**57,964**	-
Other	**4,097**	-
	65,044	-

The average credit period on sale of goods is 45 days. No interest is charged on overdue trade receivables. Amounts for estimated irrecoverable trade receivables arising from past sales are directly written off trade receivables. The Company and Consolidated Entity will also consider any change in quality of the trade receivable from the date credit was initially granted up to the reporting date.

The Group considers that receivables which are neither past due nor impaired are recoverable.

10. Current Inventories

Raw Materials and packaging at cost	**142,450**	142,450
Finished goods at cost	**17,176**	17,949
Provision for impairment of raw materials and packaging costs	**(142,450)**	(142,450)
	17,176	17,949

The Consolidated Entity recognised a provision of $142,450 during 2009 against the carrying value of OTC inventories, primarily to write down, in full, the Consolidated Entity's stocks of raw materials, packaging and promotional materials. As at the date of this report, the Consolidated Entity has not made any binding commitments to any plans to recommence the manufacturing or bottling operations which would be required in order for the Consolidated Entity to realise the value of these inventories. The financial viability of such operations may not be known with any certainty until the Consolidated Entity has been able to demonstrate that existing supplies of packaged finished goods can be sold via existing or new distribution channels. The Consolidated Entity's accounting policies do not permit the recognition of an asset in respect of the brand names, trademarks, goodwill, designs and other internally-generated assets associated with the OTC products which the directors consider have the potential to offer significantly greater returns than might be implied by the carrying value of finished goods alone.

Notes to the Financial Statements for the financial year ended 30 June 2010

11. Consolidated Property, Plant and Equipment

	Plant, Equipment and Furniture at Cost $	Total $
Gross carrying amount		
Balance at 1 July 2008	1,775,030	1,775,030
Disposals	(1,775,030)	(1,775,030)
Balance at 1 July 2009	-	-
Balance at 30 June 2010	-	-
Accumulated depreciation/ amortisation and impairment		
Balance at 1 July 2008	(1,476,274)	(1,476,274)
Depreciation expense (note 2)	(61,062)	(61,062)
Disposals	1,537,336	1,537,336
Balance at 1 July 2009	-	-
Balance at 1 July 2010	-	-
Net book value		
As at 30 June 2009	-	-
As at 30 June 2010	-	-

12. Capitalised Exploration & Evaluation Expenditure

	Total $
Balance at 1 July 2008	-
Balance at 1 July 2009	-
Additions	124,711
Balance at 30 June 2010	**124,711**

The ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and exploitation, or alternatively sale of the respective area of interest.

Notes to the Financial Statements for the financial year ended 30 June 2010

13. Current Trade and Other Payables

	Consolidated	
	2010	2009
	$	$
Trade payables (i)	**-**	(350,000)
Accrued liabilities	**(82,249)**	(100,500)
	(82,249)	(450,500)

(i) Trade payables as at 30 June 2009 of $350,000 relate to a payment made to the Creditors' Trust during 2009 in fulfilment of the Company's DOCA obligation. They have been classified separately from the liabilities subsequently forgiven under the DOCA for that reason.

No interest is charged on trade payables and the Consolidated Entity seeks to ensure that all payables are paid as required.

Notes to the Financial Statements for the financial year ended 30 June 2010

14. Parent entity disclosures

The parent entity of the Apollo Consolidated Group is Apollo Consolidated Limited.

Parent Entity Statement of Financial Position as at 30 June 2010

Assets	**2010 $**	2009 $
Current assets		
Cash and cash equivalents available to the Consolidated Entity	**1,199,766**	-
Trade and other receivables	**225,732**	17,949
Assets allocated for settlement of DOCA		
Cash and cash equivalents	**-**	1,682
R&D rebate receivable	**-**	-
Investment in controlled entities		375,127
Total current assets	**1,425,498**	394,758
Investment in controlled entities	**800**	-
Total non-current assets	**800**	-
Total assets	**1,426,298**	394,758
Liabilities		
Current liabilities		
Liabilities to be settled under DOCA		
Employee payables	**-**	(68,935)
Trade payables and accruals	**-**	(847,598)
Related party borrowings	**-**	(109,000)
Trade and other payables	**(82,249)**	(450,500)
Total current liabilities	**(82,249)**	(1,476,033)
Total liabilities	**(82,249)**	(1,476,033)
Net assets / (liabilities)	**1,344,049**	(1,081,275)
Equity		
Issued capital	**33,386,021**	31,233,709
Reserves	**2,016,401**	2,016,401
Accumulated losses	**(34,058,373)**	(34,331,385
Total equity / (deficit)	**1,344,049**	(1,081,275)

Notes to the Financial Statements for the financial year ended 30 June 2010

Parent Entity Comprehensive Income for the Financial Year ended 30 June 2010

	2010 $	2009 $
Profit for the year of the parent company	**273,012**	(1,742,745)
Other comprehensive income	-	-
Total comprehensive income for the financial year	**273,012**	(1,742,745)

Following effectuation of the DOCA Apollo Consolidated Limited has not entered into guarantees in relation to the debts of its subsidiaries and had no material commitments or contingencies as at reporting date.

15. Subsidiaries

Name of Entity	Country of incorporation	Ownership Interest 2010 %	Ownership Interest 2009 %
Parent Entity			
Apollo Consolidated Limited (i)	Australia		
Subsidiaries			
AC Minerals Pty Ltd (ii)	Australia	100	-
AAS Newco Pty Ltd (ii) (ix)	Australia	100	-
Apollo Life Sciences Holdings Pty Ltd (ii) (iii)	Australia	Deregistered	100
Apollo Life Sciences Development Pty Ltd (ii) (iv)	Australia	Deregistered	100
Apollo Life Sciences Services Pty Ltd (ii) (iii)	Australia	Deregistered	100
Apollo Life Sciences Research Pty Ltd (ii) (iii)	Australia	Deregistered	100
Apollo Cytokine Research Pty Ltd (ii) (iii)	Australia	Deregistered	100
Apollo Applied Science Pty Ltd (ii) (v)	Australia	Deregistered	100
Apollo Applied Science, Inc (vi)	USA	Nil*	100
Apollo Cytokine Research Corporation, Inc (vii)	USA	Nil*	100
Apollo Bioceuticals, Inc (viii)	USA	Nil*	100
ACN 003759144 Pty Ltd	Australia	Nil*	99.9

(i) Apollo Consolidated Limited is the head entity within the tax consolidated group.
(ii) These companies are / were members of the tax consolidated group.
(iii) Incorporated 18 November 2005
(iv) Incorporated 24 November 2005
(v) Incorporated 23 November 2006
(vi) Incorporated 25 April 2007
(vii) Incorporated 6 February 2007
(viii) Incorporated 30 March 2007
(ix) Renamed Apollo Applied Science Pty Ltd subsequent to balance date

**The Company holds no beneficial interest in these investments upon effectuation of the DOCA.*

16. Issued Capital

Shares

The Company had 484,538,583 fully paid ordinary shares on issue as at 30 June 2010 (30 June 2009: 190,769,227). Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to a vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorized capital.

Movements in share capital during the current and prior periods were as follows:

Share Capital

Ordinary Shares		**Number**	**$**
As at 1 July 2008		190,769,227	31,233,709
As at 30 June 2009		190,769,227	31,233,709
Consolidation of capital	(a)	(181,230,644)	-
Share placements	(b)	470,000,000	2,225,000
Options converted		5,000,000	25,000
Costs of issue		-	(97,688)
As at 30 June 2010		484,538,583	33,386,021

(a) On 4 August 2009 shareholders voted to accept the Blueknight recapitalisation and resolved to consolidate the Company's existing share capital on a 1 for 20 basis, reducing the number of fully paid ordinary shares on issue by 181,230,644.

(b) A prospectus in respect of the capital-raisings approved by shareholders under the Blueknight recapitalisation proposal was lodged on 4 September 2009. Subsequently, on 30 September 2009, the Company lodged a supplementary prospectus to extend the total oversubscriptions which could be accepted by a further 20,000,000 shares. On 5 October 2009 the Company announced that the capital-raisings had been completed and had raised a total of $2,225,000 before costs and the payment of $350,000 into the creditors' pool.

Share Options

Unissued shares under option as at balance date were as follows:

Issuing entity	**Number of Shares Under Option**	**Class of Shares**	**Exercise Price of Option**	**Expiry Date of Options**
Apollo Consolidated Limited	**45,000,000**	**Ordinary**	**$0.005**	31/12/2012
Apollo Consolidated Limited	**10,000**	**Ordinary**	**$13.000**	1/03/2011
Apollo Consolidated Limited	**100,000**	**Ordinary**	**$13.000**	20/05/2011

Notes to the Financial Statements for the financial year ended 30 June 2010

Apollo Consolidated Limited	**2,500**	**Ordinary**	**$13.000**	24/11/2011
Apollo Consolidated Limited	**330,000**	**Ordinary**	**$10.000**	1/02/2012
	45,442,500			

Following the consolidation of capital approved by shareholders on 4 August 2010, the numbers of options on issue was amended in accordance with Listing Rule 7.22.1 on the basis of one post-consolidation option for every twenty pre-consolidation options. The exercise price of the options was amended in inverse proportion to that ratio.
During the year to 30 June 2010, 50,000,000 new options were issued to investors under the recapitalisation placements. 5,000,000 of those new options were exercised during the year.

As at 30 June 2009, previous directors, executives, and employees held options over 442,500 unissued ordinary shares expiring between 1 March 2010 and 1 February 2012 (2009: 492,500 – after adjusting for the effect of the Company's 1:20 share and option consolidation).

Employee share options carry no rights to dividends and no voting rights. Further details of the Employee Share Option Plan are contained in note 5 to the financial statements.

17. Accumulated losses

	Consolidated	
	2010	2009
	$	$
Balance at beginning of financial year	(34,331,385)	(32,588,640)
Net profit / (loss) attributable to members of the parent entity	291,640	(1,742,745)
Balance at end of financial year	(34,039,745)	(34,331,385)

18. Reserves

Employee equity-settled benefits reserve	2,016,401	2,016,401
	2,016,401	2,016,401
Balance at beginning of financial year	2,016,401	1,871,655
Accounting value of share-based payments recognised in the year	-	144,746
Balance at the end of financial year	2,016,401	2,016,401

The employee equity-settled benefits reserve arises upon the grant of share options to directors, executives and employees under the Employee Share Option Plan, or pursuant to approval by the Company's shareholders' in general meeting. Amounts are transferred out of the reserve and into issued capital when the options are exercised. Further information about share-based payments to employees is disclosed in note 5 to the financial statements.

Notes to the Financial Statements for the financial year ended 30 June 2010

19. Earnings per share

	2010 (Cents per Share)	2009 (Cents per Share)
Basic earnings per share		
From continuing operations	**(0.1)**	(0.34)
From discontinued operations	**0.18**	(0.58)
Total basic earnings per share	**0.08**	(0.92)

Diluted earnings per share		
From continuing operations	**(0.09)**	(0.34)
From discontinued operations	**0.16**	(0.58)
Total diluted earnings per share	**0.07**	(0.92)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	Consolidated 2010 $	Consolidated 2009 $
Earnings used in the calculation of basic EPS		
Net profit / (loss) for the year	**291,640**	(1,742,745)
Adjustments to exclude (profit)/loss for the year from discontinued operations	**(648,724)**	1,097,880
Earnings used in the calculation of basic EPS from continuing operations	**(357,084)**	(644,865)

	2010 No.	2009 No.
Weighted average number of ordinary shares for the purposes of basic earnings per share	**363,343,528**	190,769,227

Notes to the Financial Statements for the financial year ended 30 June 2010

Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	Consolidated	
	2010	2009
	$	$
Earnings used in the calculation of diluted EPS		
Net profit / (loss) for the year	**291,640**	(1,742,745)
Adjustments to exclude (profit)/loss for the year from discontinued operations	**(648,724)**	1,097,880
Earnings used in the calculation of basic EPS from continuing operations	**(357,084)**	(644,865)

	2010	2009
	No.	No.
Weighted average number of ordinary shares for the purposes of basic earnings per share	**363,343,528**	190,769,227
Adjustments for calculation of diluted earnings per share		
Options	**34,766,484**	-
	398,110,012	190,769,227

The number of options that are not dilutive and not included in the calculation of diluted loss per share is 442,500.

20. Commitments and Contingencies

Future minimum expenditure commitments

In order to maintain and preserve rights of tenure to granted exploration tenements, the Group is required to meet certain minimum levels of exploration expenditure specified by the State Government of Western Australia. These commitments are subject to amendment from time to time as a result of changes to the number or area of granted tenements, escalating expenditure with tenement age, a change of tenement type from exploration licence to mining lease or other reasons pursuant to the WA Mining Act. As at reporting date these future minimum exploration expenditure commitments as follows:

	Consolidated	
	2010	2009
	$	$
Within one year	**30,000**	-
1-5 years	**40,000**	-
Total	**70,000**	-

Notes to the Financial Statements for the financial year ended 30 June 2010

21. Related Party Disclosures

(a) Transactions with Subsidiary Companies

The Company has established various wholly owned operating subsidiaries for commercial reasons, and some of the expenditure incurred by the Consolidated Entity has been incurred by or on behalf of these subsidiaries and funded by way of intercompany loans from the parent entity.

As at 30 June 2010, $275,101 was owed to the Company by its subsidiaries, AC Minerals Pty Ltd and AAS Newco Pty Ltd. A provision of $102,944 has been recorded against this amount to write the recoverable amount down to the net assets of these subsidiaries.

During the prior year the Company provided in full against intercompany loans of existing subsidiaries at that time as the receivables were no longer considered recoverable following the appointment of voluntary administrators and subsequent proposed pooling of assets and liabilities.

No interest was charged on receivables from subsidiaries in the current or prior financial year.

During the current financial year, the Company charged amounts for management services and marketing support totalling $61,000 to other group entities. No such charges were levied in 2009.

(b) Equity Interests in Related Parties

The ordinary shares held in subsidiaries are disclosed in note 15 to the financial statements.

(c) Key Management Personnel ("KMP") Compensation

Key management personnel compensation is disclosed in note 6 to the financial statements.

Notes to the Financial Statements for the financial year ended 30 June 2010

(d) Key Management Personnel ("KMP") Equity Holdings

2010	Balance at 01/07/09 No.	Granted as Remuneration No.	Received on Exercise of Options No.	Net Other Change No.	Balance when ceased to be a director No.	Balance at 30/06/10 No.	Balance Held Nominally No.
Current KMP							
R. Steinepreis							
Shares (iii)	-			50,000,000 (i)	N/A	50,000,000	-
Options (iv)	-			10,000,000 (i)	N/A	10,000,000	-
N. Castleden							
Shares (iii)	-	-	-	15,000,000 (i)	N/A	50,000,000	15,000,000
Options (iv)	-	-	-	5,000,000 (i)	N/A	10,000,000	5,000,000
G. Ventouras							
Shares (iii)	-			10,000,000 (i)	N/A	10,000,000	10,000,000
Options (iv)	-			5,000,000 (i)	N/A	5,000,000	5,000,000
A. Neuling							
Shares (iii)	-	-	-	2,220,000 (i)	N/A	2,220,000	1,000,000
Options (iv)	-	-	-	220,000 (i)	N/A	220,000	-
Former KMP							
J. Priest							
Shares (iii)	101,968,553	-	-	(96,870,125) (ii)	5,098,428	N/A	N/A
Options (iv)	7,000,000	-	-	(6,650,000) (ii)	350,00	N/A	N/A
P. Murnane							
Shares (iii)	167,300	-	-	(158,935) (ii)	8,365	N/A	N/A
Options (iv)	525,000	-	-	(498,750) (ii)	26,250	N/A	N/A
A. Basten							
Shares (iii)	10,000	-	-	(9,500) (ii)	500	N/A	N/A
Options (iv)	410,000	-	-	(389,500) (ii)	20,500	N/A	N/A

(i) Shares and options were purchased during the year.
(ii) Effect of 1:20 share consolidation
(iii) Shares held by KMP are fully paid ordinary shares.
(iv) All options held by KMP had vested (where vesting conditions were imposed) and are exercisable. No options vested during the period.

2009	Balance at 01/07/09 No.	Granted as Remuneration No.	Received on Exercise of Options No.	Net Other Change No.	Balance when ceased to be a director No.	Balance at 30/06/10 No.	Balance Held Nominally No.
J. Priest							
Shares	101,968,553	-	-	-	N/A	101,968,553	-
Options	7,000,000	-	-	-	N/A	7,000,000	-
P. Murnane							
Shares	167,300	-	-	-	N/A	167,300	-
Options	525,000	-	-	-	N/A	525,000	-
A. Basten							
Shares	10,000	-	-	-	N/A	10,000	-
Options	410,000	-	-	-	N/A	410,000	-

Notes to the Financial Statements for the financial year ended 30 June 2010

No other directors or key executive personnel held any options in the period or in the prior period, and no options were exercised by specified directors and executives during the year.

Further details of the Employee Share Option Plan 4 are contained in note 7 to the financial statements. No share options were granted as part of remuneration during the current or prior financial year.

(e) Other transactions with KMP

During the year Legal Fees of $29,815 (excluding GST) were paid to Steinepreis Paganin, a law firm of which Mr Roger Steinepreis is a partner. The fees were paid on normal commercial terms.

In addition, an amount of $10,500 was paid on normal commercial terms to the George Ventouras Family Trust #1 for warehouse rental and operational expenses.

During the prior year a loan of $109,000 was made to the Company by John Priest, a former Director, for the purposes of funding employee salaries. The loan was unsecured and interest-free. As at the date Mr Priest ceased to be a director the loan remained outstanding and was included within the liabilities settled under the DOCA.

22. Subsequent Events

Subsequent to balance date, on 19 July 2010 the Company announced that it had entered into an agreement with unlisted Australian explorer, Aspire Minerals Pty Ltd ("Aspire") to make offers of options to acquire a 90% interest in over 3,000 square kilometres of highly-prospective greenstone terrain in northern and central Cote d'Ivoire. Under the agreement Apollo has paid a non-refundable fee of $100,000 to Aspire in consideration of the Aspire Directors recommending acceptance of the option offers to its shareholders. An additional amount of up to $150,000 will be made available to Aspire as an unsecured loan.

The shareholders of Aspire have all also entered into option agreements for Apollo to acquire their shares. The options are exercisable for a 3 month term with the ability to extend the term to 6 months by consent of the parties.

The options, if exercised, will place Apollo in a strong position with respect to high quality exploration ground in one of the least explored terrains of the West African goldfields. The untapped potential of Cote d Ivoire has delivered great returns to early entrants in recent years, with new operations such as the 1.5Moz Bonikro (Lihir-Newcrest) and 4.3Moz Tongon (Randgold) deposits being commissioned and exploration successes by groups such as Perseus.

On exercise of the options, Apollo will acquire 100% of Aspire, which entity has the rights to three projects - Seguela, Tengrela and Korhogo held under five large permits.

Notes to the Financial Statements for the financial year ended 30 June 2010

If the options are exercised, the total consideration payable by Apollo to the shareholders of Aspire is:

(a) 250,000,000 fully paid ordinary shares in the capital of Apollo;
(b) 125,000,000 Performance Shares which will vest upon the announcement of at least 500,000 ounces of gold in JORC inferred resources for a sole project identified within the combined Permits area, at a grade equal to or above 1.80g/t (gram per tonne) gold; and
(c) 125,000,000 Performance Shares which will vest upon the announcement of at least 1m ounces of gold in JORC inferred resources for a sole project identified within the combined Permits area, at a grade equal to or above 1.80g/t gold.

It is a condition of the exercise of the options that an exploration permit is granted in respect of the Seguela Project and the permits remain in full force and effect.

Apollo will also raise up to $1,000,000 by the issue of 200,000,000 fully paid ordinary shares at 0.5 cents per share (subject to shareholder approval).

The exercise of the options will be an event which will require the Company to re-comply with the requirements of chapters 1 and 2 of the ASX Listing Rules, including seeking shareholder approval to the acquisition, issuing a prospectus, consolidating its capital (on a ratio to be determined) and obtaining shareholder spread in accordance with those rules. After the completion of the re-compliance process the Company intends to issue options (Loyalty Options) on a one for two basis to all shareholders, the terms and conditions of which will be advised at the time.

There has not been any matter or circumstance, other than disclosed above or elsewhere in this report, the financial statements or notes thereto, that has arisen since the end of the financial period, 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.

Notes to the Financial Statements for the financial year ended 30 June 2010

23. Segment Information

1. Segment Information

(i) Description

Apollo has adopted AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accountings Standards arising from AASB 8 with effect from 1 January 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the Standard replaced by AASB 8 (AASB 114 Segment Reporting) required and entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. As a result, following the adoption of AASB 8, the identification of Apollo's reportable segments has changed.

In prior years, reported segment information was analysed on the basis of the differing activities of Apollo's operating business including the continuing Over the Counter ("OTC") products business and the various discontinued research, development and contract manufacturing businesses operated by the Group prior to the appointment of external administrators in October 2008. Following the effectuation of the DOCA to which the Company and various of its subsidiaries was previously subject, the function of chief operating decision maker is now performed by the Board collectively. Information reported to the Board for the purposes of resource allocation and assessment of performance is currently focussed more broadly on the Group's diversified activities across different sectors. The discontinued life sciences businesses, to the effect that they may be relevant to the Group, are considered in aggregate. The Group's reportable segments under AASB 8 are therefore as follows:

- OTC Products (including the Ellipse Skin Science business);
- Mineral Exploration (including the Lake Rebecca project*);*
- *Discontinued Life Sciences businesses.*

Information regarding the activities of these segments during the current and prior financial period is set out in the following tables (all revenues shown are from external customers).

Notes to the Financial Statements for the financial year ended 30 June 2010

(ii) Segment income / (loss)

2010

Continuing operations

	OTC Products	Mineral Exploration	Unallocated	Total
Revenues	4,089	-		4,089
Cost of sales	(773)	-		(773)
Advertising and marketing expenses	(44,564)	-		(44,564)
Distribution Expenses	(5,573)	-		(5,573)
Administrative expenses	(46,428)	(3,338)		(49,766)
	(93,249)	**(3,338)**	**-**	**(96,587)**
Corporate expenses	-	-	(260,497)	**(115,243)**
Total loss before tax from continuing operations	**(93,249)**	**(3,338)**	**(260,497)**	**(357,084)**
Discontinued Operations – Life Sciences				
Creditor forgiveness upon effectuation of DOCA			648,724	**648,724**
Total profit before tax from discontinued operations			648,724	**648,724**
Income Tax				-
Total profit after tax from continuing and discontinued operations				**291,640**

2009

Continuing operations

	OTC Products	Mineral Exploration	Unallocated	Total
Revenues	551	-		551
Cost of sales	(162)	-		(162)
Advertising and marketing expenses	(251)	-		(251)
Distribution Expenses	-	-		-
Administrative expenses	-	-		
	138	**-**		138
Corporate expenses				(644,727)
Total loss before tax from continuing operations				(644,865)
Discontinued Operations – Life Sciences				
Loss for the year from discontinued operations				(1,097,880)
Total loss before tax from discontinued operations				(1,097,880)
Income Tax Benefit				342,763
Total loss after tax from continuing and discontinued operations				(1,742,745)

Notes to the Financial Statements for the financial year ended 30 June 2010

(iii) Segment assets

2010

Continuing operations

	OTC Products	Mineral Exploration	Unallocated	Total
Capitalised exploration expenditure	-	124,711		**124,711**
Inventory	17,176	-		**17,176**
Receivables	8,719	-		**8,719**
	25,895	**124,711**		**150,606**
Corporate assets	-	-	1,294,319	**1,294,319**
Total assets	**25,895**	**124,711**	**1,294,319**	**1,444,925**

2009

Continuing operations

	OTC Products	Mineral Exploration	Unallocated	Total
Inventory	17,949	-		17,949
	17,949	**-**		17,949
Corporate assets	-		376,809	376,809
Total assets	17,949	**-**	376,809	394,758

Notes to the Financial Statements for the financial year ended 30 June 2010

24. Notes to the Cash Flow Statement

(a) Reconciliation of cash and cash equivalents

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

	Consolidated	
	2010	2009
	$	$
Cash and cash equivalents	**1,237,258**	34,047
	1,237,258	34,047

Reconciliation of loss for the year to net cash flows from operating activities		
Profit / (loss) for the year	**291,640**	(1,742,745)
Non-cash items		
DOCA creditor forgiveness (non-cash)	**(648,724)**	
Depreciation and amortisation of non-current assets	**-**	61,062
Impairment of prepayments and receivables	**-**	91,842
Provision for impairment of investments	**-**	-
Provision for impairment of inventories	**-**	142,450
Equity settled share-based payment	**-**	144,746
Profit on sale of Non-Current assets	**-**	(109,454)
Provision for impairment in value of fixed assets	**-**	-
Financing and Investing Cashflows included in profit / (loss)		
Interest income	**(32,625)**	(5,120)
Interest expense	**-**	6,566
Decrease / (Increase) in assets:		
Debtors & prepayments	**(65,780)**	28,157
Inventories	**773**	303
Increase/(decrease) in liabilities	**(18,251)**	706,126
Net cash applied to operating activities	**(472,967)**	(676,067)

25. Financial Instruments

(a) Capital Risk Management

The Group seeks to manage its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through optimisation of the debt and equity ratios (see Note 1). The Group's overall objectives and strategy in this regard remains unchanged from 2009.

The capital structure of the Group consists of debt, which in 2009 included the borrowings disclosed in note 21 (e), cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses. Borrowings, during the prior year, included borrowings from a related party which were settled under the DOCA process in the current year. Operating cash flows are used to pay for operating cash expenses.

(b) Financial Risk Management Objectives

The Group's activities have the potential to expose it to a variety of financial risks: market risk (including foreign currency and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial and exchange rate markets and seeks to minimise potential adverse effects on the Group's performance. Risk management is overseen by the board of directors.

(c) Market Risk

The Group's activities have the potential to expose it primarily to the financial risks in foreign currency exchange rates, commodity prices and interest rates. In the last two years the Group has not used any derivative financial instruments to hedge its exposure to foreign exchange and interest rate risk. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

(d) Foreign currency risk management

Foreign currency transactions are not significant to the consolidated operations. As such, the Consolidated Entity chooses not to hedge its foreign exchange risk using foreign exchange contracts. The Consolidated Entity's exposure to foreign currency risk at the reporting date was as follows:

	2010	2009
USD	$	$
Cash and cash equivalents	-	-
Trade and other receivables	-	-
Trade and other payables	-	(145,544)
Total	-	(145,544)

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies (arising from the monetary assets and liabilities held at balance date in a currency different to the functional currency of the

Notes to the Financial Statements for the financial year ended 30 June 2010

respective entities holding the assets or liabilities), which represents management's assessment of the possible change in foreign currency rates. The sensitivity analysis includes only outstanding foreign currency denominated items, and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates an increase in profit or loss and other equity where the Australian dollar strengthens against the respective currency. For a weakening of the Australian dollar against the respective currency there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

	2010	2009
Profit or loss	-	14,554

In management's opinion, the above sensitivity analysis is not fully representative of the inherent exchange risk as the year end exposure does not necessarily reflect the exposure during the course of the year or prior year.

(e) Interest Rate risk management

The Group and the Company are potentially exposed to interest rate risk as the parent entity deposits funds at floating interest rates. The group does not hedge this risk through derivatives such as interest rate swaps.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on a 50 basis point change in interest rates taking place at the beginning of the financial year and held constant throughout the period, which represents management's assessment of the possible change in interest rates.

At reporting date and based on year-end cash balances, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net loss would have been $6,186 higher / lower (2009: no effect).

(f) Credit Risk management

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group uses publicly available financial information and its own trading record to rate its major customers. The Group's exposure and the credit ratings of it counterparties are continuously monitored and controlled by management. As at reporting date the Group has no material receivables and accordingly does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The potential credit risk on liquid funds held by the Group in the future is considered to be limited because likely counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum credit exposure to credit risk.

Notes to the Financial Statements for the financial year ended 30 June 2010

(g) Liquidity risk management

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Consolidated

	Weighted average effective interest rate %	Less than 6 months	6 months – 1 year	1 year – 2 years
2010				
Non-Interest bearing liabilities	-	82,949	-	-
		82,949	-	-
2009				
Non-Interest bearing liabilities*	-	1,476,033	-	-
		1,476,033	-	-

*Includes $1,025,533 of liabilities which were forgiven during 2010 upon effectuation of the DOCA.

The following table details the Group's expected maturity for its non-derivative financial assets. The tables have been drawn up based on the undiscounted contractual maturities of financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period based on the earliest date on which the Group can realise these assets. The table includes both interest and principal cash flows.

Notes to the Financial Statements for the financial year ended 30 June 2010

Consolidated

	Weighted average effective interest rate %	Less than 6 months	6 months – 1 year	1 year – 2 years
2010				
Variable interest rate instruments	5.4%	1,237,258		
Non-Interest bearing assets		65,780	-	-
		1,303,038	-	-
2009*				
Non-Interest bearing assets	4.5%	34,047	-	-
Variable interest rate instruments		342,762	-	-
		376,809	-	-

*Following effectuation of the DOCA, the Group no longer had any interest in the assets shown for the prior year above, which were preserved for the benefit of creditors under the DOCA.

(h) Fair value of financial instruments

The carrying value of all financial instruments (other than liabilities forgiven under the DOCA) is assumed to approximate their fair value given their short term nature.

Additional Stock Exchange Information

Corporate Governance Statement

Introduction

Apollo Consolidated Limited ("**Company**") has adopted an extensive system of controls as the basis for administration of the Company's corporate governance policies. Information relating to these policies and procedures is summarised below. The Board of the Company is committed to pursuing the genuine spirit of best practice corporate governance objectives in the manner most appropriate to the needs and circumstances of the Company.

The following additional information about the Company's corporate governance practices is set out on the Company's website at www.apolloconsolidated.com.au.

Board & Committee Charters

- Board Charter
- Audit Committee Charter
- Nomination Committee Charter
- Remuneration Committee Charter

Documentation of Policies & Procedures

- Code of Conduct
- Policy and Procedure for Selection and Appointment of Directors
- Performance Evaluation Processes
- Director Independence Assessment
- Summary of Securities Trading Policy
- Summary of Continuous Disclosure Policy
- Policy for Selection, Appointment & Rotation of External Auditors
- Summary of Shareholder Communication Policy
- Summary of Risk Management Policy
- Summary of Whistleblower Policy

Explanations for departures from best practice recommendations

During the Reporting Period the Company has complied with each of the Ten Essential Corporate Governance Principles and the corresponding Best Practice Recommendations as published by the ASX Corporate Governance Council ("**ASX Principles and Recommendations**"), other than in relation to the matters specified in the table which follows.

Additional Stock Exchange Information

Principle Ref	Recommendation Ref	Notification of Departure	Explanation for Departure
2	2.2	The Chairman does not satisfy the Independence Test	Notwithstanding that Mr Steinepreis does not satisfy all aspects of the Independence Test, the Board considers that its current structure is appropriate for the Company's size and operations. Mr Steinepreis has played a key role in re-directing the Company and has extensive corporate experience, making him the most qualified Board member for this role. In situations where it would be inappropriate for Mr Steinepreis to act as chairman (for example, when there is potential for a conflict of interest to exist), the Board will appoint another director to act as chairman.

Additional Stock Exchange Information

Skills, experience, expertise and term of office of each director
A profile of each director containing the applicable information is set out in the Directors' Report.

Identification of independent directors
The Company has no independent directors.

Statement concerning availability of independent professional advice
If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his/her office as a director then, provided the director first obtains approval for incurring such expense from the chairperson, the Company will pay the reasonable expenses associated with obtaining such advice.

Management of Material Risks and Assurances to the Board
The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Board has delegated to the Audit and Risk Committee responsibility for implementing the risk management system.

The Audit and Risk Committee will submit particular matters to the Board for its approval or review. Among other things it will:

- Oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements;
- Assist management to determine the key risks to the businesses and prioritise work to manage those risks; and
- Review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

The Company's process of risk management and internal compliance and control includes:

- Identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks.
- Formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls.
- Monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

To this end, comprehensive practises are in place that are directed towards achieving the following objectives:

- Compliance with applicable laws and regulations.
- Preparation of reliable published financial information.
- Implementation of risk transfer strategies where appropriate e.g. insurance.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report back quarterly to the Audit and Risk Committee. The Board has received an assurance from management that the Company's management of its material business risks is effective.

The Board will review assessments of the effectiveness of risk management and internal compliance and control on an annual basis. In addition, the Chief Executive Officer and Chief Financial Officer (or their equivalents) required to provide the Board with a declaration pursuant to s295A of the Corporations Act. In so doing, they have also provided the Board with assurance that such declaration is founded on a sound system of risk management and internal control and that this system is operating effectively in all material respects relating to financial reporting risk.

Additional Stock Exchange Information

Names of nomination committee members and their attendance at committee meetings
The full Board carries out the functions of a Nomination Committee in accordance with the Nomination Committee Charter.

Names and qualifications of audit committee members
The names, relevant financial expertise and industry experience of each of the audit committee members is set out in the Directors' Report.

Number of audit committee meetings and names of attendees
Details of the audit committee meetings held and attended are disclosed in the Directors Report.

Confirmation whether performance evaluation of the board and its members have taken place and how conducted
The Company has a policy of performing an evaluation of the Board and its members on an annual basis. The Company was under external administration or subject to a Deed of Company Arrangement for the majority of the year to 30 June 2009, and the current Directors were appointed during August 2009. Accordingly no such review has been performed during the year.

Company's remuneration policies
Details of the Company's remuneration policies are disclosed in the Remuneration Report within the Directors' Report.

Names of remuneration committee members and their attendance at committee meetings.
Names, qualifications and experience of the Remuneration Committee, together with details of the meetings held and attended are disclosed in the Directors' Report.

Existence and terms of any schemes for retirement benefits for non-executive directors
The Company does not have any terms or schemes relating to retirement benefits for non-executive directors.

Additional Stock Exchange Information

The shareholder information set out below was applicable as at 20 August 2010.

1. Twenty largest shareholders

Ordinary shares	Number	Percentage
BLUEKNIGHT CORPORATION PTY LTD	50,000,000	10.32
MR CRAIG IAN BURTON <THE BURTON SUPER FUND A/C>	25,000,000	5.16
MR GEORGE VENTOURAS <GEORGE VENTOURAS FAM A/C #1>	10,000,000	2.06
MRS ANDREA MURRAY <MURRAY FAMILY FUND NO 2 A/C>	8,500,000	1.75
KOBIA HOLDINGS PTY LTD <THE KOBIA A/C>	8,000,000	1.65
MRS MELEISHA FOSTER <THE FOSTER FAMILY NO 2 A/C>	7,750,000	1.60
PHEAKES PTY LTD <SENATE A/C>	6,980,000	1.44
MR MARK JOHN BAHEN + MRS MARGARET PATRICIA BAHEN <SUPERANNUATION A/C>	6,000,000	1.24
MR GARY JIARUI ZHOU	6,000,000	1.24
TOPSFIELD PTY LTD	5,600,000	1.16
APOLLO CAPITAL PTY LTD	5,098,428	1.05
MR DAVID N CASTLEDEN	5,000,000	1.03
MRS ANNA LOUISE MURPHY	5,000,000	1.03
MR BENJAMIN VITTORIO TANA	4,200,000	0.87
DR STUART LLOYD PHILLIPS <STUART PHILLIPS FAMILY A/C>	4,144,530	0.86
MR WILLIAM MARK CASTLEDEN	4,000,000	0.83
RANDAL INVESTMENT HOLDINGS PTY LTD	4,000,000	0.83
DR STUART LLOYD PHILLIPS + MRS FIONA JANE PHILLIPS <SL & FJ PHILLIPS S/F A/C>	3,100,000	0.64
ACM CONSULTING SERVICES PTY LTD <MCMILLAN FAMILY A/C>	3,000,000	0.62
ANGUILLA PTY LTD <WILKINS SUPER FUND A/C>	3,000,000	0.62
Total Top 20	**174,372,958**	**35.99**
Other	310,165,625	64.01
Total ordinary shares on issue	**484,538,583**	**100.00**

Additional Stock Exchange Information

2. Substantial shareholders

The following information is extracted from the Company's register of substantial shareholders:

Name	Number of ordinary shares	% of issued ordinary shares
BLUEKNIGHT CORPORATION PTY LTD	50,000,000	10.43
CRAIG IAN BURTON <THE BURTON SUPERFUND A/C>	25,000,000	5.21

3. Distribution of equity securities

	Ordinary shares	Unlisted options
1 - 1,000	564	-
1,001 – 5,000	227	-
5,001 – 10,000	41	-
10,001 – 100,000	123	7
> 100,001	427	16
Total	**1,382**	23
Number holding less than a marketable parcel	881	

4. Tenement Listing

Rebecca Gold Project, Western Australia

Tenement	Status	Ownership Interest
E28 / 1610	Granted	100%
E28 / 2008	Application	100%
E28 / 2057	Application	100%
P28 / 1197	Application	100%

5. Unquoted securities

There are no investors holding more than 20% of the Company's unlisted options.

6. Voting rights

See Note 16 to the Financial Statements.

7. On-market buy back

There is currently no on-market buy back program for any of the Company's listed securities.

8. Company secretary, registered and principal administrative office and share registry

The Company Secretary is Mr Alex Neuling.

The Company's principal and administrative office is at Level 4, 16 Milligan Street, Perth WA 6000.

The Company's Share Registry is maintained by Computershare Investor Services Pty Ltd, Level 2, 45 St Georges Terrace, Perth WA 6000