Appendix 4E

LaserBond Limited

ABN 24 057 636 692

Preliminary Final Report

For period ending 30th June 2010

All comparisons to period ending 30th June 2009

Contents

1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

Results	Year To 30th June 2010		Year To 30th June 2009
Revenues from continuing operations	$10,421,235	Up 16.55% from	$8,941,473
Net Profit from Ordinary Operating Activities after Tax Attributable to Members	$555,531	Down 2.16% from	$567,799
Net Profit Attributable to Members	$555,531	Up 228.36% from	$169,186

Brief Explanation of Results:

The Board is pleased with the 16.55% increase to consolidated revenue and 228% increase to Net Profit Attributable to Members despite the effect of the global financial crisis on the Gladstone division..

- The Ingleburn, NSW division achieved outstanding results for the year with 28% revenue growth from normal operations, and 8% overall net revenue growth (after considering the special project during the 2009 financial year of the sale of Thermal spray equipment to Tanjung in Malaysia). The Ingleburn division also achieved significantly increased earnings before tax of 20% of revenue in comparison to 8% for the 2009 financial year. The Board looks forward to continuing growth from the Ingleburn division for the 2011 and future financial years.

- As detailed in the December 2009 Half-Year Financial Report and the YTD Market Update ASX Announcement dated 25th May 2010, the Gladstone, Qld division had a disappointing year. This is directly attributed to the effect of the global financial crisis within the Gladstone and Central Queensland region, as well as some management issues following the acquisition. With evidence of the strengthening economy in the region as well as the recent restructuring of the business, including the management team, the Board is confident the Gladstone division will achieve significant revenue and profit growth for the 2011 and future financial years. Monthly results shown from May 2010 to current have shown a healthy improvement. Revenue and profits will also be enhanced by the pending installation of LaserBond's unique portfolio of surface engineering technologies in Gladstone to fully service the Central Queensland region.

Dividend Information

No dividends will be payable for this reporting period.

2. Net Tangible Assets per Ordinary Share (NTA Backing)

As at June 2010	As at June 2009
$0.0379	$0.0298

Note: As at 30th June 2010 total number of shares issued were 71,043,734 compared to 68,833,734 as at 30th June 2009.

3. Details of Subsidiaries

3.1 Control Gained Over Entities During the Period

During the period from 1st July 2009 to 30th June 2010, LaserBond Limited has not gained control over any entities

3.2 Loss of Control of Entities During the Period

During the period from 1st July 2009 to 30th June 2010, LaserBond Limited has not loss control over any Entities.

4. Details of Associates and Joint Venture Entities

4.1 Equity Accounted Associates and Joint Venture Activities

During the period from 1st July 2009 to 30th June 2010, LaserBond Limited has no interest in any Associates or Joint Venture Activities

4.2 Aggregate Share of Profits (Losses) of Associates and Joint Venture Activities

Not Applicable

5. Dividends

5.1 Dividends per Share

	Amount per Share	Franked Amount Per Share at 30% Tax	Amount per Share of Foreign Source
Final			
- Current Period	N/A	N/A	N/A
- previous corresponding period	N/A	N/A	N/A
Interim			
- Current Period	N/A	N/A	N/A
- previous corresponding period	N/A	N/A	N/A

5.2 Total Dividends

	Current Period	Previous Corresponding Period
Interim	N/A	N/A
Final	N/A	N/A
	N/A	N/A

5.3 Dividends Reinvestment Plans

During the period from 1st July 2009 to 30th June 2010, LaserBond Limited had no Dividend Reinvestment plans in operation

6. Accounting Standards

Australian Accounting Standards, including Australian equivalents to International Financial Reporting Standards (AIFRS) have been used in compiling the information contained in this Appendix 4E.

7. Audit Disputes or Qualifications

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

Commentary to Preliminary Financial Report

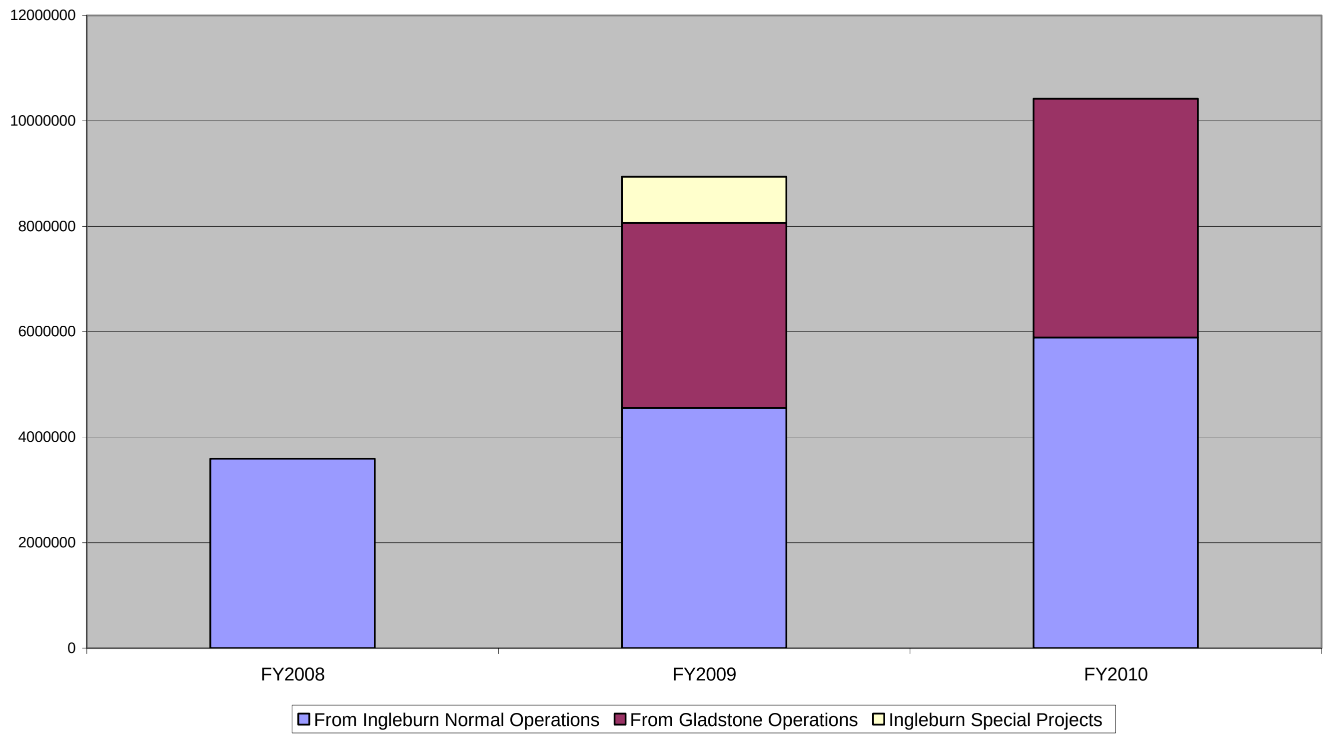
Review of Operations

	% Increase	2010	% Revenue	2009	% Revenue
Revenue	16.55%	10,421,235		8,941,473	
EBITDA	6.90%	935,047	8.97%	874,693	9.78%
EBIT	9.08%	725,332	6.96%	664,977	7.44%
NPAT (before significant items)	<2.16%>	555,531	5.33%	567,799	6.35%
Profit Share (Share Sale Deed Arrangement)		-	%	398,613	4.46%
Reported Profit (after significant items)	228.36%	555,531	5.33%	169,186	1.89%

Continued Strong Revenue Growth

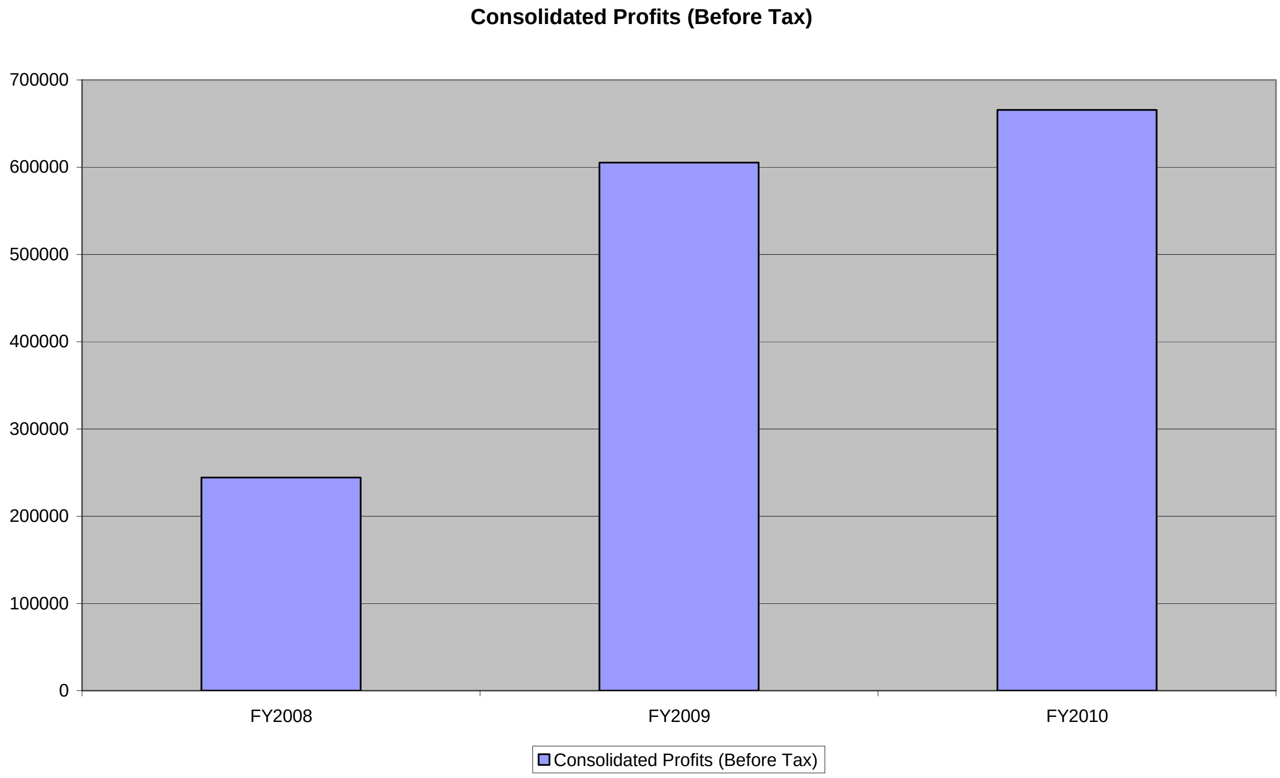
The consolidated business over the last 3 reporting periods has shown strong growth in revenue, from $3.6 million for 2008 to $10.4 million for 2010. Whilst a component in this revenue growth was the acquisition of the Gladstone, Qld division in 2008, the Ingleburn, NSW division is continuing to show a strong growth in demand for the company's services, in particular our unique technologies and techniques for LaserBond ™ cladding and thermal spray processes.

3 Year Revenue Growth by Revenue Type



Profit Growth

Despite the effect of the last twelve months on the Gladstone, Qld division, Nett Profit (before tax) has continued to grow, from $244,000 in 2008 to $665,000 in 2010. The profit growth has been achieved through the outstanding results of the Ingleburn, NSW division, which has provided divisional Nett Profit (before Tax) results of $244,000 in 2008, $456,000 in 2009 and $1.1 million in 2010. The 2008 strategy for the Ingleburn, NSW division of appointing additional resources to drive sales and operational growth and development has shown a considerable return on investment for Ingleburn, and provides a strong business platform for continued growth. With the recent appointment of a sales focussed General Manager for the Queensland Division, similar growth is expected for the Gladstone division in 2011 and going forward.



Outlook

While market performance in the Central Queensland region has affected the Gladstone division since the purchase in November 2008, the restructuring of the division, in particular key management roles and cost cutting, provides a stronger and leaner division moving forward.

The region is expecting slow growth for the next few months with some activities restricted since the announcement of the General Election and subsequent hung parliament.

With the commissioning of the LaserBond™ cladding system in Gladstone due for completion in September 2010, and the pending completion of the soundproof thermal spray booth designed to house the Thermal Spray facilities, the Gladstone division will be very well positioned to support pre-existing local industries such as the smelters, alumina refineries, power stations and coal fields. The LaserBond ™ and Thermal Spray facilities are expected to provide significant revenue growth for the Gladstone division over the next twelve months, and are the prime technologies that have provided the Ingleburn divisions significant growth over the last eight years.

The LaserBond™ and Thermal Spray facilities also position the Gladstone division well for the seven Liquid Natural Gas (LNG) projects that have been proposed for the immediate Gladstone area and are at various stages of approval with the Queensland and Federal Governments. Each of these LNG projects will utilise coal seam gas from the Surat Basin coal fields west of Gladstone. The Queensland treasurer, Andrew Fraser, has stated “the growth of Queensland’s LNG industry has the potential to require up to $40 billion of investment and create thousands of new jobs”.

Debt

At the end of the financial year, the company maintains a strong Balance Sheet with minimal debt. The current ratio of the company is 2:1 indicating a high financial strength. With our cash flow projections for the next fiscal year, the company is in a solid position to capitalise on market opportunities as they become available.

PRELIMINARY FINANCIAL REPORT

LaserBond Limited

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

	Note	2010 $	2009 $
Revenue	2	10,421,235	8,941,473
Cost of Sales		(5,559,660)	(4,636,074)
Gross Profit		4,861,575	4,305,399
Other Income	3	269,880	122,971
Selling Expenses		(63,682)	(78,374)
Administration Expenses		(3,550,627)	(2,982,595)
R&D Expenditure		(72,755)	(17,108)
Repairs & Maintenance Expenses		(99,626)	(148,194)
Finance Lease Expenses		(487,422)	(428,869)
Borrowing Costs		(59,658)	(12,094)
Other Expenses		(132,011)	(155,817)
Profit before income tax expense	4	665,674	605,319
Income tax expense	5	(110,143)	(37,520)
Profit after tax from continuing operations		555,531	567,799
Share Sale Deed – Peachey's Engineering Pty Ltd		-	(398,613)
Net profit attributable to members of LaserBond Limited		555,531	169,186
Earnings per share (cents)	6	0.0079	0.0026
Diluted earnings per share (cents)	6	0.0079	0.0026

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

PRELIMINARY FINANCIAL REPORT

LaserBond Limited

Preliminary Consolidated Statement of Financial Position
As at 30th June 2010

	Note	2010 $	2009 $
CURRENT ASSETS			
Cash and cash equivalents	7	421,506	382,524
Trade and Other Receivables	8	2,270,877	1,961,045
Inventories	9	1,606,621	938,573
Total Current Assets		**4,299,004**	**3,282,142**
NON-CURRENT ASSETS			
Property, plant and equipment	10	687,346	665,598
Deferred tax assets	13	269,085	319,769
Intangible assets	11, 12	3,464,266	3,228,002
Total Non-Current Assets		**4,420,697**	**4,213,369**
TOTAL ASSETS		**8,719,701**	**7,495,511**
CURRENT LIABILITIES			
Trade and Other Payables	14, 16	1,090,392	1,353,562
Interest-bearing liabilities	15	95,645	59,898
Current tax liabilities	17	891,763	428,174
Total Current Liabilities		**2,077,800**	**1,841,634**
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	15	270,595	180,869
Provisions	16	216,290	187,752
Total Non-Current Liabilities		**486,885**	**368,621**
TOTAL LIABILITIES		**2,564,685**	**2,210,255**
NET ASSETS		**6,155,016**	**5,285,256**
EQUITY			
Contributed equity	18	3,319,655	2,861,164
Retained earnings		2,835,361	2,424,092
TOTAL EQUITY		**6,155,016**	**5,285,256**

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

LaserBond Limited

Preliminary Consolidated Statement of Cash Flows
for the Year Ended 30th June 2010

	Note	2010 $	2009 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		10,342,857	7,853,374
Payments to suppliers and employees		(10,224,688)	(7,749,177)
Interest paid		(149,019)	(139,171)
Interest received		(59,658)	115,090
Income taxes paid		6,104	(12,094)
Net cash inflow from operating activities		(84,404)	68,022
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(208,357)	(411,876)
Goodwill in Consideration	12	(256,390)	(3,192,537)
Net cash inflow/(outflow) from investing activities		(464,747)	(3,604,413)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		458,490	302,020
Payments to lessors		125,472	107,690
Loans to employees		4,172	12,103
Dividends paid		-	-
Net cash inflow/(outflow) from financing activities		588,134	421,813
NET INCREASE/(DECREASE) IN CASH HELD		38,982	(3,114,578)
Net cash at beginning of period		382,524	3,497,102
NET CASH AT END OF PERIOD	7	421,506	382,524

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

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

NOTE 1: BASIS OF PREPARATION OF PRELIMINARY FINANCIAL REPORTS

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS).

The financial report has also been prepared on an accruals basis and is based on historical cost.

NOTE 2: REVENUE

	2010 $	2009 $
From continuing operations		
Sales Revenue		
Sales of Goods	10,421,235	8,941,473

The Revenues and Net Profit results shown on this report for the comparison year to 30th June 2009 differ to our June 2009 financial reports. As detailed in the Director's Report for the half year ending December 2009, this is due to the overstatement of revenue for the 2008/2009 year for the Gladstone Division as a result of premature invoicing by local Gladstone management for work that was not completed until this financial year.

NOTE 3: OTHER INCOME

	2010	2009
Interest Revenue	6,104	115,090
Government Grant	250,000	-
Other	13,776	7,881
	269,880	122,971

NOTE 4: EXPENSES

Profit before Income Tax includes the following specific expenses

	2010	2009
Borrowing Costs:		
Interest Paid	59,658	12,094
Depreciation & Amortisation		
- Plant & Equipment	123,828	21,830
- Fixtures & Fittings	697	320
- Office Equipment	23,681	19,434
- R&D Equipment	2,005	3,299
- Motor Vehicles	10,977	12,684
- Leasehold Improvements	25,422	19,675
- Intangible Assets	20,126	19,017
	206,736	96,259
Rental Expenses relating to Operating Leases		
- Minimum Lease Payments	487,422	428,869
Auditors Remuneration		
- Audit Services – audit and review of Financial Reports	8,387	39,310

NOTE 5: INCOME TAX

Reconciliation of Income Tax Expense

	2010	2009
Profit before Income Tax Expense	665,674	605,319
Tax at the Australian tax rate of 30% (2009: 30%)	199,702	181,596
Less 20% Write Off of Deferred Tax Asset from Capitalised IPO Costs *(See Note 5a)*	(42,147)	(42,147)
Less Deferred Tax Asset adjustments for Employee Entitlements and Expense Provisions	(8,537)	(92,073)
Less Adjustment to Prior Year Income Tax Provisions	(38,875)	(9,856)
Total Income Tax Expense:	110,143	37,520

Note 5a: At the time of completion of the Initial Public Offer all costs of the IPO were capitalised over a five (5) year period. This tax adjustment is the third of the five (5) tax adjustments.

NOTE 6: EARNINGS PER SHARE

	2010 $	2009 $
Basic earnings per share	0.0079	0.0026
Diluted earnings per share	0.0079	0.0026

The options are not considered to be dilutive because they would result in the issue of ordinary shares for more than the average market price during the period.

(a) Weighted Average Shares on Issue

	No. of Shares	Weighted No.
Opening Balance as at 1st July 2009	68,833,734	68,833,734
Shares Issued as at 1st July 2009	250,000	249,315
Shares Issued as at 23rd December 2009	99,990	51,776
Shares Issued as at 23rd January 2010	1,610,010	696,936
Shares Issued as at 11th February 2010	250,000	95,205
Closing Balance as at 30th June 2010	71,043,734	69,926,966

NOTE 7: CASH AND CASH EQUIVALENTS

	2010 $	2009 $
Cash on Hand	1,200	1,107
Cash at Bank	420,306	381,417
	421,506	382,524

NOTE 8: TRADE AND OTHER RECEIVABLES

	2010 $	2009 $
Trade Receivables	2,098,831	1,901,967
Loans – Related Parties	60,500	66,996
Other Receivables	111,546	137,373
	2,270,877	2,106,336

NOTE 9: INVENTORIES

	2010 $	2009 $
Stock on Hand – Raw Materials & Finished Goods	1,211,055	573,549
Work in Progress	395,566	365,024
	1,606,621	938,573

NOTE 10: PROPERTY, PLANT & EQUIPMENT

	2010 $	2009 $
Plant & Equipment		
At Cost	1,342,912	1,150,180
Less Accumulated Depreciation	(719,048)	(545,421)
	623,864	604,759
Motor Vehicles		
At Cost	140,931	125,306
Less Accumulated Depreciation	(80,720)	(69,744)
	60,211	55,562
R & D Equipment		
At Cost	24,027	24,027
Less Accumulated Depreciation	(20,756)	(18,750)
	3,271	5,277

TOTAL PLANT & EQUIPMENT

(a) Movements in Carrying Amounts

	Plant & Equipment	Motor Vehicles	Research & Development Equipment	Total
2010 Financial Year	$	$	$	$
Balance at the beginning of the year	604,759	55,562	5,277	665,598
Additions	195,084	15,625	-	210,709
Net Disposals	(2,352)	-	-	(2,352)
Depreciation Expense	(173,627)	(10,976)	(2,006)	(186,609)
Carrying Amount at the end of the year	623,864	60,211	3,271	687,346

2009 Financial Year	Plant & Equipment $	Motor Vehicles $	Research & Development Equipment $	Total $
Balance at the beginning of the year	243,300	62,213	8,575	314,088
Additions	376,058	6,034	-	382,092
Net Disposals	-	-	-	-
Depreciation Expense	(14,599)	(12,685)	(3,298)	(30,582)
Carrying Amount at the end of the year	604,759	55,562	5,277	665,598

NOTE 11: INTANGIBLES

2010 Financial Year	Goodwill in Consideration $	Patents and Trademarks $	Other Intangible Assets $
Balance at the beginning of the year	3,192,537	11,111	24,354
Additions	256,390	-	-
Disposals	-	-	-
Amortisation Expense	-	(833)	(19,293)
Net Book Amount at 30th June 2010	3,448,927	10,278	5,061
2009 Financial Year	$	$	$
Balance at the beginning of the year	-	12,012	15,686
Additions	3,192,537	-	50,633
Disposals	-	-	-
Amortisation Expense	-	(901)	(41,965)
Net Book Amount at 30th June 2009	3,192,537	11,111	24,354

NOTE 12: GOODWILL IN CONSIDERATION

For the purchase of Peachey's Engineering Pty Ltd in November 2008, made up of the following:

Initial Purchase Costs made up of the following:	
Cash Payment	2,500,000
Scrip Payment – 3,333,334 Shares	366,667
Broker Commission	55,000
Due Diligence and Audit / Review Costs	75,035
Miscellaneous Purchase Costs	4,812
	3,001,514
Tranche Two 08-09 Earn Out Costs made up of the following:	
Cash Payment	298,275
Scrip Payment – 1,610,010 Shares	149,138
	447,413
	3,448,927

NOTE 13: DEFERRED TAX ASSETS

	2010 $	2009 $
Deferred tax assets comprise temporary differences attributable to:		
Employee Benefits	154,468	180,520
Expense Accruals	30,321	12,806
Capitalised IPO Costs	84,296	126,443
	269,085	319,769

NOTE 14: TRADE AND OTHER PAYABLES

	2010 $	2009 $
Trade Payables	672,368	671,978
Other Payables	119,421	76,581
	791,789	748,559

NOTE 15: BORROWINGS

	2010 $	2009 $
CURRENT		
Hire Purchase Liabilities	95,645	59,898
NON-CURRENT		
Hire Purchase Liabilities	270,595	180,869

NOTE 16: PROVISIONS

	2010 $	2009 $
CURRENT		
Employee Benefits	298,603	413,980
NON-CURRENT		
Employee Benefits	216,290	187,752

NOTE 17: STATUTORY LIABILITIES

	2010 $	2009 $
CURRENT		
Income Tax	199,703	172,248
BAS Statement (GST & PAYG Withheld)	590,545	178,271
Payroll Tax	891	16,348
Fringe Benefits Tax	16,800	25,242
Superannuation	83,824	36,065
	891,763	428,174

NOTE 18: CONTRIBUTED EQUITY AND RESERVES

	2010 $	2009 $
Issued and Paid Up Capital	3,319,655	2,861,164
Reconciliation of Issued and Paid Up Capital		
68,833,334 Existing Shares	2,861,164	2,466,144
2,210,000 Issued Shares	171,638	437,167
Issued Convertible Notes	329,000	-
Deferred Tax Asset from Capitalised IPO Costs	(42,147)	(42,147)
	3,319,655	2,861,164
Reconciliation of Movement in Shares		
Issued Shares at beginning of Year	68,833,734	65,000,400
Shares Issued during Year	2,210,000	3,833,334
Issued Shares at end of year	71,043,734	68,833,734

(a) Capital Management

Management effectively manages the company's capital by assessing the company's financial risks and adjusting its financial structure in response to those risks. These responses include the management of debt levels and distributions to shareholders.

The company has no borrowings and no externally imposed capital requirements.

NOTE 19 : CAPITAL AND LEASING COMMITMENTS

	2010 $	2009 $

(a) Hire Purchase Commitments

	2010 $	2009 $
Payable:		
Within one (1) year	95,645	59,899
Later than one (1) year but not later than five (5) years	368,001	237,742
	463,646	297,641
Minimum Hire Purchase payments:		
Less future finance charges	(97,406)	(56,874)
Total Hire Purchase Liability	366,240	240,767

The company's Hire Purchase commitments are in relation to Plant & Equipment and Motor Vehicles essential to the operations of the business. These are under Hire Purchase agreements expiring within 1 to 5 years. Under the Terms of Agreements, the Company has the option to acquire the financed assets by payment of the final instalment. This option lapses in the event of a default to the agreed Terms and Conditions to the agreements.

(b) Operating Lease Commitments

	2010 $	2009 $
Payable:		
Within one (1) year	465,358	199,659
Later than one (1) year but not later than five (5) years	1,018,942	1,259,265
	1,484,300	1,458,924

(c) Property Lease

The company has the following property leases:

	Expiry	
28 York Road Ingleburn NSW 2565	June 2008	Currently Month to Month
10 Blain Drive, Gladstone QLD 4680	Nov 2013	
5 George Mamalis Place, Gladstone QLD 4680	Feb 2014	

NOTE 20: CONTINGENT LIABILITIES

The directors are not aware of any contingent liabilities that would have an effect on these financial statements.

NOTE 21: RELATED PARTY TRANSACTIONS

	2010 $	2009 $

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	2010 $	2009 $
Property Lease		
Rent Paid	92,796	92,796

Rental of Ingleburn head office premises paid to Hooper Unit Trust, a director related entity. Rent is paid one month in advance.

	2010 $	2009 $
Loans – Related Parties		
Director Loan	60,500	60,500
Employee Loans	2,324	6,496
Employee Personal Expenses	560	360
	63,384	67,356

All Loans to Related Parties are classified current, unsecured and interest free.

The Director Loan is receivable from Mr Greg Hooper, a director of the company.

The Employee Loans are receivable from two (2) employees.

The Employee Personal Expenses are receivable from employee's who have used, at the approval of director's, a company's supplier expense account for purchases of a personal use. These loans are repaid as an after tax deduction from the employees salary or wage.

NOTE 23: KEY MANAGEMENT PERSONNEL

Key management personnel are those persons who have authority and responsibility for planning, directing and controlling the activities of the company.

(a) Key Management Personnel

The key management personnel of the company for management of its affairs as at 30 June 2010 are Wayne Hooper and Greg Hooper, all current Executive Directors. Tim McCauley acted as Chief Executive Officer until his resignation in January 2010. Mr McCauley remains a Non-Executive Director, and Chairman of the Board.

(b) Remuneration

Remuneration received or due and receivable by key management personnel of the company for management of its affairs is as follows:

	Salaries and fees	Superannuation	Consulting Fees
2010 Financial Year			
Wayne Hooper	96,775	27,800	-
Greg Hooper	189,381	16,826	-
Timothy McCauley (to resignation in Jan 10)	88,207	9,375	-
	374,363	54,001	-
2009 Financial Year			-
Wayne Hooper	96,508	40,617	-
Greg Hooper	181,938	16,200	-
Timothy McCauley	126,077	13,125	-
	404,523	69,942	-

(c) Options Held

The following performance options were issued to directors pursuant to the prospectus

	Opening Balance As at 30th June 2009	Exercised	Closing Balance As at 30th June 2010	Balance Exercisable
Wayne Hooper	2,000,000	-	2,000,000	-
Greg Hooper	2,000,000	-	2,000,000	-
Timothy McCauley	3,000,000	-	3,000,000	-
	7,000,000	-	7,000,000	-

(d) Shares Held

	Interest	Shares Held as at 30th June 2009	Issued	Purchased / (Sold)	Shares Held as at 30th June 2010
Wayne Hooper	Direct	7,728,395	-	-	7,728,395
Wayne Hooper	In-Direct	100,000	-	143,213	243,213
Greg Hooper	Direct	8,000,064	-	-	8,000,064
Timothy McCauley	In -Direct	750,000	250,000	(79,000)	921,000
		16,578,459	250,000	64,213	16,892,672

NOTE 24: DIVIDENDS

	2010 $	2009 $
Interim dividends paid – fully franked on tax paid at 30%	-	-

Franked Dividends

The franked portions of any final dividends recommended and paid after 30th June 2010 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ending 30th June 2010.

	2010 $	2009 $
Franking credits available for subsequent financial years based on a tax rate of 30% (2009 – 30%)	1,310,960	956,406

NOTE 25: CASH FLOW INFORMATION

	2010 $	2009 $
Reconciliation of profit after income tax to net cash flows from operating activities		
Profit for the year	555,531	567,799
Non-cash flows in operating surplus		
Depreciation & Amortisation	120,157	52,598
Changes in assets and liabilities		
(Increase) / Decrease in trade debtors	(342,155)	(1,182,577)
(Increase) / Decrease in other debtors	28,151	(53,310)
(Increase) / Decrease in inventories	(668,049)	(758,066)
(Increase) / Decrease in deferred tax assets	50,684	(70,004)
Increase / (Decrease) in trade creditors and accruals	(266,149)	1,061,162
Increase / (Decrease) in statutory liabilities	408,888	354,462
Increase / (Decrease) in provisions	28,538	95,958
Increase / (Decrease) in deferred tax liabilities	-	-
Net cash provided by operating activities	(84,404)	68,022

NOTE 26: FINANCIAL INSTRUMENTS

Activities undertaken by the company may expose the company to price risk, credit risk, liquidity risk and cash flow interest rate risk. The company's risk management policies and objectives are therefore disagreed to minimise the potential impacts of these risks on the results of the company.

a) Interest rate risk

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate		Non-Interest Bearing	Total
			Within 1 Year	1 to 5 Years		
30th June 2010	%	$	$	$	$	$
Financial Assets:						
Cash on Hand		-	-	-	1,200	1,200
Cash at Bank	4.0	333,813	-	-	86,493	420,306
Trade and other receivables		-	-	-	2,270,877	2,270,877
Total financial assets		333,813	-	-	2,358,570	2,692,383
Financial Liabilities						
Trade and other payables		-	-	-	1,090,392	1,090,392
Borrowings	8.0	-	95,645	270,595	-	366,240
Total financial liabilities		-	95,645	270,595	1,090,392	1,456,632

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Within 1 Year	Non-Interest Bearing 1 to 5 Years	Total	
30th June 2009	%	$	$	$	$	$
Financial Assets:						
Cash on Hand		-	-	-	1,107	1107
Cash at Bank	4.0	217,829	-	-	164,695	381,417
Trade and other receivables		-	-	-	1,961,045	1,961,045
Total financial assets		217,829	-	-	2,126,847	2,343,569

Financial Liabilities						
Trade and other payables		-	-	-	1,162,539	1,162,539
Borrowings	7.0	-	59,898	180,869	-	240,767
Total financial liabilities		-	59,898	180,869	1,162,539	1,403,306

b) Credit Risk Exposure

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognize financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

c) Liquidity Risk

Liquidity risk is the risk that the company may encounter difficulties raising funds to meet commitments. The company manages this risk by monetary forecast cash flows.

d) Net fair value of financial assets and liabilities

The carrying amount of cash, cash equivalents and non-interest bearing monetary financial assets and liabilities (e.g. accounts receivable and payable) are at approximate net fair value.

e) Price Risk

The company is not exposed to any material price risk.

f) Sensitivity Analysis

The company has performed a sensitivity analysis relating to its exposure to interest rate risk and foreign currency risk. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

The company as at 30th June 2010 held a quantity of cash on hand in Interest Bearing bank accounts. The effect on profit and equity as a result of changes in the interest rate on Cash on Hand, with all other variables remaining constant would be as follows:

	2010 $	2009 $
Change in profit		
- Increase in interest rate by 2%	$6,676	$4,357
- Decrease in interest rate by 2%	($6,676)	($4,357)
Change in equity		
- Increase in interest rate by 2%	$6,676	$4,357
- Decrease in interest rate by 2%	($6,676)	($4,357)

Foreign Currency Risk Sensitivity Analysis

The company purchases certain raw material from overseas due to non-availability in Australia or savings due to bulk buying power overseas. At 30th June 2010, the effect on profit and equity as a result of changes in the Australian Dollar to other International currencies, with all other variables remaining constant would be as follows:

	2010 $	2009 $
Change in profit		
- Improvement in AUD to International currencies by 5%	($11,476)	($23,993)
- Decline in AUD to International currencies by 5%	$11,476	$23,993
Change in equity		
- Improvement in AUD to International currencies by 5%	($11,476)	($23,993)
- Decline in AUD to International currencies by 5%	$11,476	$23,993

NOTE 27: MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There are no matters to report subsequent to the end of the financial year

NOTE 28: SEGMENT REPORTING

The company operates entirely within Australia in the surface engineering, CNC machining and fabrication industries

NOTE 29: COMPANY DETAILS

Registered Office and Principal Place of Business:

LaserBond Ltd	28 York Road INGLEBURN NSW 2565 Phone: 02 9829 3815 Fax: 02 9829 2417 www.laserbond.com.au

Subsidiaries:

Peachey's Engineering Pty Ltd

- Machine Shop	10 Blain Drive GLADSTONE QLD 4680 Phone: 07 4972 4522 Fax: 07 4972 5411
- Fabrication Shop	5 George Mamalis Place GLADSTONE QLD 4680 Phone: 07 4972 7608

Share Registry:

Registries Limiited	Level 7, 207 Kent Street SYDNEY NSW 2000 Phone: 1300 737 760 www.registries.com.au