

NeuroDiscovery Limited

Appendix 4E

Preliminary final report

Details of reporting period

ABN or equivalent company reference	89 113 824 141
Financial year ended ('current period')	30 June 2009
Previous corresponding period	30 June 2008

Results for announcement to the market

Financial Results				June 2009
				\$
Revenues	up	8.0%	to	2,365,011
(Loss) after tax attributable to members	down	80%	to	(440,178)
Net profit (loss) for the period attributable to members	down	80%	to	(440,178)

Dividends

The directors do not propose that NeuroDiscovery will pay a dividend

Earnings/(loss) per share	June 2009	June 2008
Basic and diluted Loss per ordinary share	(0.77) cents	(3.92) cents

Net Tangible Asset Backing	June 2009	June 2008
Net tangible asset backing per ordinary share	7.4 cents	8.0 cents

Other explanatory notes

Refer to commentary on page 8

Consolidated Income Statement

	2009	Restated 2008
	\$	\$
Revenue for the year		
Rendering of services	2,302,907	2,034,055
Interest Income	62,104	156,341
Revenue from continuing operations	2,365,011	2,190,396
Cost of sales	(1,459,270)	(1,085,750)
Gross Profit	905,741	1,104,646
Other Income	-	29,813
Research and development expenses	(247,381)	(2,218,891)
Corporate and administration expenses	(1,115,810)	(1,551,865)
Impairment of intangible assets	(366,300)	-
Other Expenses	(62,729)	244,258
Loss before income tax expense	(886,479)	(2,392,039)
Income Tax Expense	446,301	180,774
Loss attributable to members of the parent	(440,178)	(2,211,265)
Basic and Diluted Earnings per share (cents per share)	(0.77)	(3.92)

Notes to and forming part of the Consolidated Income Statement

Revenue

Revenue from Operating Activities

Sales of goods	2,302,907	2,034,055
	<u>2,302,907</u>	<u>2,034,055</u>

Revenue from Outside the Operating Activities

Interest	62,104	156,341
Sundry Income	-	29,813
	<u>62,104</u>	<u>186,154</u>
Total Revenue for the year	<u>2,365,011</u>	<u>2,220,209</u>

Operating Loss

Net Gains and Expenses

Profit before income tax includes the following specific net gains and expenses:

Depreciation	332,805	284,513
Employee Benefits Expense	1,572,223	1,307,325
Lease Payments	71,430	61,162
Unrealised foreign exchange (gain) or loss	62,729	(244,258)

Consolidated Balance Sheet

	2009	Restated 2008
	\$	\$
Current assets		
Cash assets	1,395,072	1,745,663
Receivables	498,630	534,447
Other Assets	94,675	15,470
Total current assets	1,988,377	2,295,580
Non-current assets		
Property, plant & equipment	254,488	519,949
Intangible assets	2,985,119	3,351,419
Total non-current assets	3,239,607	3,871,368
Total assets	5,227,984	6,166,948
Current liabilities		
Payables	470,912	789,701
Interest bearing liabilities	-	148,863
Total current liabilities	470,912	938,564
Non-current liabilities		
Deferred tax liabilities	475,019	585,260
Total non-current liabilities	475,019	585,260
Total liabilities	945,931	1,523,824
Net assets/(Liabilities)	4,282,053	4,643,124
Equity		
Parent entity interest		
Contributed equity	8,508,340	8,508,340
Reserves	253,980	174,873
Accumulated Losses	(4,480,267)	(4,040,089)
Total parent entity interest	4,282,053	4,643,124

Consolidated Cash Flow Statement

	2009 \$	2008 \$
Cash flows from operating activities		
Receipts from customers	2,279,400	2,081,666
Payments to suppliers and employees	(2,775,799)	(4,635,885)
Interest received	62,039	156,341
Research and development rebate received	330,386	217,631
Net cash used in operating activities	(103,974)	(2,180,247)
Cash flows from investing activities		
Payments for property, plant and equipment	(67,344)	(35,226)
Net cash provided by (used in) investing activities	(67,344)	(35,226)
Cash flows from financing activities		
Proceeds from share issues	-	2,332,100
Capital raising costs	-	(32,785)
Repayment of borrowings	(155,558)	(218,817)
Net cash provided by (used in) financing activities	(155,558)	2,080,498
Net increase (decrease) in cash held	(326,876)	(134,975)
Cash at the beginning of the financial year	1,745,663	1,901,401
Effects of exchange rate change on cash held in foreign currencies	(23,715)	(20,763)
Cash at the end of the financial year	1,395,072	1,745,663

Dividend Payments

The directors do not propose that NeuroDiscovery will pay a dividend in the current year and did not pay a dividend in the comparative period.

Dividend reinvestment plans

The Company does not have in place a dividend reinvestment plan.

Consolidated Statement of changes in Equity

	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
At 30 June 2008 as previously reported	8,508,340	(4,596,123)	174,873	4,087,090
Prior year error	-	556,034	-	556,034
Restated balance at 30 June 2008	8,508,340	(4,040,089)	174,873	4,643,124
Loss for the year	-	(440,178)	-	(440,178)
Cost of share-based payments	-	-	79,107	79,107
At 30 June 2009	8,508,340	(4,480,267)	253,980	4,282,053
At 30 June 2007	6,365,633	(1,828,824)	142,867	4,679,676
Loss for the year	-	(2,211,265)	-	(2,211,265)
Issue of share capital, net of transaction costs	2,142,707	-	-	2,142,707
Cost of share-based payments	-	-	32,006	32,006
At 30 June 2008	8,508,340	(4,040,089)	174,873	4,643,124

Net Tangible Asset Backing

	June 2009	June 2008
Net tangible asset backing per ordinary share	7.4 cents	8.0 cents

Details of entities over which control has been gained or lost during the period.

Not applicable.

Details of associates and joint venture entities

Not applicable

Other Significant Information Required by Investors

Segment Information

Primary Reporting - Business segments

	Contract Services		R&D		Total	
	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$
Revenue						
Sales to external customers	2,302,907	2,034,055	-	29,813	2,302,907	2,063,868
Other revenues from external customers	-	-	-	-	-	-
Total segment revenue	2,302,907	2,034,055	-	29,813	2,302,907	2,063,868
Unallocated revenue					62,104	156,341
Total consolidated revenue					2,365,011	2,220,209
Result						
Segment result	843,637	297,613	(247,381)	(2,089,068)	596,256	(1,791,455)
Unallocated revenue/(expenses)					(1,482,735)	(600,554)
Net loss before income tax					(886,479)	(2,392,009)
Income tax benefit					446,301	180,744
Net loss for the year					(440,178)	(2,211,265)
Assets and liabilities						
Segment assets	2,689,211	2,911,284	1,143,701	1,510,001	3,832,912	4,421,285
Unallocated assets					1,395,072	1,745,663
Total assets					5,227,984	6,166,948
Segment liabilities	(862,584)	(1,475,694)	-	-	(862,584)	(1,475,694)
Unallocated liabilities					(83,347)	(48,130)
Total liabilities					(945,931)	(1,523,824)
Other segment information						
Capital expenditure	(67,344)	(35,226)	-	-	(67,344)	(35,226)
Depreciation and amortisation	(332,805)	(284,513)	-	-	(332,805)	(284,513)

Other Significant Information Required by Investors (continued)

Segment Information (continued)

Secondary Reporting - Geographical segments

The Group's geographical segments are determined by the location of the Group's assets and operations.

	Australia		United Kingdom		Total	
	2009	2008	2009	2008	2009	2008
	\$		\$		\$	
Revenue						
Sales to external customers	-	-	2,302,907	2,034,055	2,302,907	2,034,055
Other revenues from external customers	-	-	-	29,813	-	29,813
Segment revenue	-	-	2,302,907	2,063,868	2,302,907	2,063,868
Unallocated revenue					62,104	156,341
Total consolidated revenue					2,365,011	2,220,209
Other segment information						
Segment assets	26,218	12,771	4,040,588	4,408,514	4,066,806	4,421,285
Unallocated assets					1,161,178	1,745,663
Total assets					5,227,984	6,166,948
Capital expenditure	-	-	(67,344)	(35,226)	(67,344)	(35,226)

Accounting Policies

Segment revenues and expenses are those directly attributable to the segments and where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, intangibles and plant and equipment, net of allowances and accumulated depreciation and amortisation. While most assets can be directly attributable to individual segments, unallocated assets consist of items that cannot be directly attributable.

Intersegment Transfers

Segment results may include revenues and expenses from intersegment transactions. These transactions are eliminated on consolidation.

Other Significant Information Required by Investors (continued)

Prior year error

The year end 30 June 2008 financial statements recorded an amount as trade creditors of \$556,034, being amounts invoiced by Sosei Group Corporation ("Sosei") which at 30 June 2008 remained unpaid. These invoices were in relation to the Groups share of costs incurred in the NSL-043 program. Under the terms of the Collaboration Agreement with Sosei, the Group had no obligation to settle these invoices at that date. These amounts should have been classified as a contingent liability.

As a result the consolidated financial statements for the year ended 30 June 2008 had the following errors:

Balance Sheet:		\$
- Trade and other payables	overstated by	556,034
- Total Current Liabilities	overstated by	556,034
- Total Liabilities	overstated by	556,034
- Net Assets	understated by	556,034
- Accumulated Losses	overstated by	556,034
- Total Equity	understated by	556,034
Income Statement:		
- Research and Development Expenditure	overstated by	556,034
- Loss attributable to members of the parent entity	overstated by	556,034

The 30 June 2008 comparatives in these financial statements have been restated to reflect the above.

Basis of Compilation of Report

This report is compiled using Australian Accounting Standards

Commentary on results for the period

The consolidated loss after tax for the Group for the year ended 30 June 2009 was \$440,178. The net loss of the Group predominantly related to the administration and compliance costs of an ASX listed company.

Basis of Accounts

This report is based on accounts which are currently being audited.

Status of Audit

The accounts are in the process of being audited.

Compliance Statement

1. This report, and the accounts upon which this report is based, have been prepared in accordance with AASB Standards.
2. This report, and the accounts upon which this report is based, use the same accounting policies.
3. This report gives a true and fair view of the matters discussed.
4. This report is based on accounts which are in the process of being audited.



Sign Here:

Date: 28 August 2009

Name: Morgan Barron (Company Secretary)