

MEDIGARD LIMITED
ABN 49 090 003 044

Results for Announcement to the Market

Financial Year ended 30 June 2009 (Reporting Period)
(Previous Corresponding Period - 30 June 2008)

			30 June 2009	30 June 2008
			\$	\$
Revenues from ordinary activities	Down 33%	to	169,504	251,219
Loss from ordinary activities after tax attributable to members	Down 40%	to	761,323	1,258,995
Net loss for the period attributable to members	Down 40%	to	761,323	1,258,995

Dividends	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Previous Year	Nil	Nil
Interim Dividend	Nil	Nil
Previous Year	Nil	Nil
Record date for determining dividend entitlements	Not applicable	
The company does not intend to pay any dividends applicable to the reporting period.		
The company does not have a Dividend Reinvestment Plan.		

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Explanation of Figures Included above

As the company's investments are progressively applied to ordinary activities, the earnings on those investments is reducing. However during the year income was supplemented with the Research and Development Tax Offset.

Net Tangible Assets per Security	30 June 2009	30 June 2008
Net Tangible Assets per Security (cents)	0.84	1.69

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

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INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

		2009	2008
		\$	\$
Revenue	1	169,504	251,219
Depreciation and amortisation expense	2	(43,687)	(37,565)
Finance costs		(6,255)	-
Other expenses	2	(880,885)	(1,472,649)
Loss before income tax expense		(761,323)	(1,258,995)
Income tax expense		-	-
Loss for the year		<u>(761,323)</u>	<u>(1,258,995)</u>
Basic earnings per share (cents per share)		(1.10)	(1.86)
Diluted earnings per share (cents per share)		(1.10)	(1.86)

The Income Statement should be read in conjunction with the Notes to the financial statements.

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BALANCE SHEET AS AT 30 JUNE 2009

		2009	2008
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	276,374	131,673
Trade and other receivables	4	108,808	122,373
Financial assets	5	298,250	650,500
Other current assets		4,462	22,560
TOTAL CURRENT ASSETS		<u>687,894</u>	<u>927,106</u>
NON-CURRENT ASSETS			
Financial Assets	5	96,696	201,555
Property, plant and equipment		10,883	15,575
Intangible assets	6	217,314	172,999
Other non current assets		10,560	10,560
TOTAL NON-CURRENT ASSETS		<u>335,453</u>	<u>400,689</u>
TOTAL ASSETS		<u><u>1,023,347</u></u>	<u><u>1,327,795</u></u>
CURRENT LIABILITIES			
Trade and other payables	7	86,902	64,580
Interest bearing liabilities	8	103,190	-
TOTAL CURRENT LIABILITIES		<u>190,092</u>	<u>64,580</u>
TOTAL LIABILITIES		<u><u>190,092</u></u>	<u><u>64,580</u></u>
NET ASSETS		<u><u>833,255</u></u>	<u><u>1,263,215</u></u>
EQUITY			
Issued Capital	9	3,865,963	3,534,600
Reserves		519,837	519,837
Retained losses		(3,552,545)	(2,791,222)
TOTAL EQUITY		<u>833,255</u>	<u>1,263,215</u>

The Balance Sheet should be read in conjunction with the Notes to the financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

	Issued Capital	Retained Earnings	Share Based Payment Reserve	Total Equity
	\$	\$	\$	\$
At 1 July 2007	3,534,600	(1,532,227)	19,613	2,021,986
Loss for the Year		(1,258,995)	-	(1,258,995)
Issue of Shares	-	-	-	-
Issue of Options	-	-	500,224	500,224
At 30 June 2008	3,534,600	(2,791,222)	519,837	1,263,215
Loss for the Year	-	(761,323)	-	(761,323)
Cost of Share Issue	(37,637)	-	-	(37,637)
Issue of Shares	360,000	-	-	360,000
Issue of Options	-	-	-	-
At 30 June 2009	3,865,963	(3,552,545)	519,837	833,255

The Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

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CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(609,475)	(624,130)
Research and Development Tax Offset	113,489	172,695
GST Refunded	28,129	27,774
Interest received	71,620	143,680
Net cash used in operating activities	10 (396,237)	(279,981)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	201,885	382,307
Purchase of property, plant and equipment	(362)	(868)
Proceeds from sale of property, plant and equipment	548	-
Purchase of investments	-	-
Purchase of other non-current assets	(83,496)	(45,850)
Net cash provided by investing activities	118,575	335,589
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	100,000	-
Proceeds from Issue of Shares	360,000	-
Payment for Costs of Share Purchase Plan	(37,637)	-
	422,363	-
Net increase/(decrease) in cash held	144,701	55,608
Cash at 1 July 2008	131,673	76,065
Cash at 30 June 2009	3 276,374	131,673

The Cash Flow statement should be read in conjunction with the Notes to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
Note 1 Revenue		
Operating activities		
- interest received – cash at bank	7,087	17,436
interest received – financial instruments	64,533	120,294
- Research & Development Tax Offset	97,884	113,489
	169,504	251,219

Note 2 Loss for the Year

a. Expenses:

Depreciation of non-current assets:

- Plant and equipment	4,506	6,908
Total depreciation	4,506	6,908
Amortisation of non-current assets		
- Patents & Trademarks	39,181	30,657
Total amortisation	39,181	30,657

Rental Expense	27,618	28,954
Research and Development Costs	213,677	230,993
Consulting Fees	60,825	530,806
Directors Fees	113,250	133,207
Fees & Permits	35,896	34,099
Loss on Financial Assets at fair value through Profit and Loss	255,223	359,447
Other Expenses	174,396	155,143
	880,885	1,472,649

Note 3 Cash and Cash Equivalents

Cash at bank	276,374	131,673
	276,374	131,673

Reconciliation of Cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash	276,374	131,673
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The effective interest rate on short-term bank deposits was 2.8% (2008: 8.40%).

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Note 4 Receivables

CURRENT

Short Term Deposits	500	500
Other Debtors	108,308	121,873
	108,808	122,373

No receivables are past due or impaired at year end.

Note 5 Other Financial Assets

CURRENT

Investments held at fair value through Profit and Loss account.

Floating Rate Interest Rate Securities - listed, at market value	298,250	650,500
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NON CURRENT

Investments held at fair value through Profit and Loss account.

Floating Rate Interest Rate Securities –unlisted, at valuation	96,696	201,555
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Note 6 Intangible Assets

Patents, and trademarks – at cost	365,708	282,212
Less: Accumulated amortisation	(148,394)	(109,213)
	217,314	172,999
Balance at beginning of year	172,999	177,550
Additions – at cost	83,496	26,106
Amortisation	(39,181)	(30,657)
Carrying amount at the end of the year	217,314	172,999

Note 7 Payables

CURRENT

Trade Creditors	48,270	47,876
Sundry Creditors and Accrued Expenses	38,632	16,704
	86,902	64,580

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	2009	2008
	\$	\$
Note 8 Interest Bearing Liabilities		
CURRENT		
Unsecured Loan – D J Channer	103,190	-

Note 9 Issued Capital

a. 73,750,055 (2008: 67,550,000) fully paid ordinary shares	3,865,963	3,534,600
	3,865,963	3,534,600
	No.	No.
At the beginning of the reporting period	67,550,000	67,550,000
Shares issued during the year		
- 20 January 2009 – Remuneration Share Issue	200,000	
3 April 2009 – Share Purchase Plan	6,000,055	
At reporting date	73,750,055	67,550,000

b. Options

- i. 24,583,352 listed options issued under the shareholders loyalty plan on 21 April 2009. The options were issued for no consideration.
- ii. 316,667 unlisted options lapsed 18 June 2009.

As at 30 June 2009 the unissued ordinary shares of Medigard Limited under options were as follows:

Grant Date	Date of expiry	Exercise price	Number
17/08/2007	17/08/2012	\$0.20	6,750,000
17/01/2008	17/01/2011	\$0.20	850,000
21/04/2009	31/03/2010	\$0.12	24,583,352
			32,183,352

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As at 30 June 2008 the unissued ordinary shares of Medigard Limited under options were as follows:

Grant Date	Date of expiry	Exercise price	Number
18/06/2004	18/06/2009	\$0.40	100,000
18/07/2004	18/06/2009	\$0.40	16,667
18/08/2004	18/06/2009	\$0.40	16,667
18/09/2004	18/06/2009	\$0.40	16,666
18/10/2004	18/06/2009	\$0.40	16,667
18/11/2004	18/06/2009	\$0.40	16,667
18/12/2004	18/06/2009	\$0.40	16,666
18/01/2005	18/06/2009	\$0.40	16,667
18/02/2005	18/06/2009	\$0.40	16,667
18/03/2005	18/06/2009	\$0.40	16,666
18/04/2005	18/06/2009	\$0.40	16,667
18/05/2005	18/06/2009	\$0.40	16,667
18/06/2005	18/06/2009	\$0.40	16,666
18/07/2005	18/06/2009	\$0.40	16,667
17/08/2007	17/08/2012	\$0.20	6,750,000
17/01/2008	17/01/2011	\$0.20	850,000
			7,916,667

c. Capital Risk Management

The company manages its capital to ensure that the company will be able to continue as a going concern and meet performance milestones set in the budget.

The company's overall strategy remains unchanged from 2008.

The capital structure of the company consists of the funds raised when the company floated less accumulated losses to date and the unsecured loan.

Note 10 Cash Flow Information

a. Reconciliation of Cash Flow from Operations with Loss from ordinary activities after Income Tax

Loss after income tax	(761,323)	(1,258,995)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss		
Amortisation	39,181	30,657
Depreciation	4,506	6,908
Movement in market value of investments	255,223	359,447
Share issue expensed	9,000	500,224

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Changes in assets and liabilities,		
(Increase)/decrease in trade and term debtors	13,565	60,070
(Increase)/decrease in prepayments	18,098	1,469
(Increase)/decrease in accruals		-
Increase/(decrease) in trade creditors and accruals	25,513	20,239
Cash flows from operations	<u>(396,237)</u>	<u>(279,981)</u>

b. Non-cash Financing and Investing Activities

During the financial year 24,583,352 listed options were issued under the shareholder's loyalty plan. These options were issued for no consideration. There were no non-cash financing and investing activities in the preceding financial year.

Note 11 Company Details

The registered office of the company is:

MEDIGARD LIMITED
SUITE 14A TEDDER TERRACES
26-30 TEDDER AVENUE
MAIN BEACH QLD 4217

The principal place of business is:

MEDIGARD LIMITED
SUITE 14A TEDDER TERRACES
26-30 TEDDER AVENUE
MAIN BEACH QLD 4217