

**24<sup>th</sup> October 2008**

**Company Announcements Office**  
**National Stock Exchange of Australia Limited**  
Ground Floor 384 Hunter Street  
Newcastle NSW 2300

BY E-LODGEMENT

**Dear Sir,**

**Re: MERIDIEN CAPITAL LIMITED –CORRECTION TO ANNUAL REPORT**

It has come to the attention of the Board of Meridien Capital Limited that the last six pages of the Company's Annual Report were omitted from the document lodged with the NSX prior to the open of trading on 1<sup>st</sup> October 2008.

The pages in question are:

- i) Pages 36-37 Independent Auditors Report
- ii) Pages 38-40 Additional NSX information

The Annual Report was corrected prior to being sent to shareholders and prior to downloading on the Company's website in accordance with the Corporations Act.

In light of this correction and the minor changes advised in our letter to the NSX dated 2<sup>nd</sup> October 2008 we have attached the amended copy of the Annual Report for your update purposes.

Yours faithfully,  
**Meridien Capital Limited**



Kevin Good  
Company Secretary

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# **Meridien Capital Limited**

**ABN 15 121 348 730**

## **Annual Financial Report**

**for the year ended 30 June 2008**

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**Corporate Directory**

Meridien Capital Limited is a public company incorporated in Australia.

**Directors**

Mr Kevin Shirlaw (Chairman)  
Mr John McColl  
Mr Kevin Good

**Secretary**

Mr Kevin Good

**Registered Office and  
Principal Place of Business**

Level 25  
Chifley Tower,  
2 Chifley Square  
Sydney NSW 2000  
Ph: (02) 9293 2813  
Fax: (02) 9293 2828

**Solicitors and Nominated Advisor**

Whittens Lawyers & Consultants  
Suite 9, Level 5  
137 -139 Bathurst Street  
Sydney NSW 2000  
Ph: (02) 9264 2216  
Fax: (02) 9283 1970

**Website**

[www.meridiencapital.com.au](http://www.meridiencapital.com.au)

**Auditors**

DFK – Richard Hill Pty Ltd  
Level 11  
32 Martin Place  
Sydney NSW 2000  
Ph: (02) 9221 0444  
Fax: (02) 9221 5935

**Share Registry**

Registries Limited  
Level 2 , 28 Margaret Street  
Sydney NSW 2000  
Ph: (02) 9290 9600  
Fax: (02) 9279 0664

## **MERIDIEN CAPITAL LIMITED**

**ABN 15 121 348 730**

### **Corporate governance statement**

The Board of Directors ("the Board") of Meridien Capital Limited ("the company") is responsible for the corporate governance of the company. The Board guides and monitors the business and affairs of the company on behalf of the shareholders by whom they are elected and to whom they are accountable.

To ensure the Board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of directors and for the operation of the Board.

The best practice recommendations of both the ASX Corporate Governance Council, including corporate governance practices and suggested disclosures are set out below and have been applied for the entire financial year ended 30 June 2008. Where there has been any variation from the recommendations it is because the Board believes that the company is not as yet of a size, nor are its financial affairs of such complexity to justify some of those recommendations and as such those practices continue to be the subject of the scrutiny of the full Board.

#### **Board composition:**

The Board is comprised of three directors, of which all directors are Executive Directors.

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report, their attendances at meetings and their term of office are detailed in the directors' report. Because of the size of the company all directors are not independent directors. This situation will be monitored and reviewed from time to time. The names of the directors of the company in office at the date of this statement are:

<b>Name</b>	<b>Position</b>
Mr Kevin Shirlaw	Executive Director, Chairman
Mr John McColl	Executive Director
Mr Kevin Good	Executive Director

When determining whether a director is independent, the Board has determined that the director must not be an executive and:

- is not a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company;
- within the last three last years has not been employed in an executive capacity by the company or been a director after ceasing to hold any such employment;
- within the last three years has not been a principal or employee of a material professional adviser or a material consultant to the company or an employee materially associated with the service provided;
- is not a material supplier or customer of the company or an officer of or otherwise associated directly or indirectly with a significant supplier or customer;
- has no material contractual relationship with the company other than as a director of the company;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company.

Directors have the right to seek independent professional advice in the furtherance of their duties as directors, at the company's expense.

## **MERIDIEN CAPITAL LIMITED**

**ABN 15 121 348 730**

### **Corporate governance statement**

#### **The Board and Board nominations:**

The company does not presently operate a nomination committee. As such, the full Board (subject to members voting rights in general meeting) is responsible for selection of new members and has regard to a candidate's experience and competence.

Under the company's Constitution:

- ? the maximum number of directors on the Board is ten;
- ? a director (other than the Managing Director) may not retain office for more than three years without submitting for re-election;
- ? at the Annual General Meeting each year effectively one third of the directors in office (other than the Managing Director) retire by rotation and must seek re-election by shareholders; and
- Casual directors appointed during any year must submit themselves for election at the next Annual General Meeting.

#### **Securities trading policy:**

The company has not as yet adopted a formal securities trading policy however the directors and employees are restricted from acting on material information until it has been released to the market in accordance with the ASX requirements of continuous disclosure. Furthermore the directors have agreed to disclose to the company details of directors' interests in securities and in contracts relevant to securities which they are obliged to disclose to the ASX.

#### **Directors' remuneration and policies:**

The company does not presently operate a remuneration committee. The remuneration of all directors is determined by the Board.

All compensation arrangements for directors including the Managing Director are determined by the directors after taking into account the current competitive rates prevailing in the market.

The amount of remuneration for all directors including the full remuneration packages, comprising all monetary and non-monetary components of the Executive and Non Executive Directors, are detailed in the directors' report.

Executives will receive base salary, superannuation, fringe benefits and in some cases, performance incentives. Executives and staff may be invited by the Board, to participate in the yet to be determined Meridien Capital Limited Directors' and Employee's Option Plan ("Employee's Option Plan"). These packages are reviewed on an ongoing basis and in most cases will be reviewed against predetermined performance criteria.

All remuneration to be paid to present or future executives will be valued at the cost to the company and expensed. Shares issued to executives are valued as the difference between the market price of those shares and the amount paid by the executive. Options are valued using the Black-Scholes methodology.

The Board expects that the remuneration structure that is implemented will result in the company being able to attract and retain the best executives to manage the economic entity. It will also provide the executives with the necessary incentives to work to grow long-term shareholder value.

The Board can exercise its discretion in relation to approving incentives, bonuses and options. There are no schemes for retirement benefits other than statutory superannuation for non- executive directors.

#### **External auditors:**

The auditors of the company, DFK Richard Hill Pty Ltd(DFK RH), have open access to the Board at all times. DFK RH attend the company's annual general meeting.

## **MERIDIEN CAPITAL LIMITED**

**ABN 15 121 348 730**

### **Corporate governance statement**

#### **Audit and Compliance Committee:**

The audit and compliance committee comprises all three directors. The responsibilities of the committee include the responsibility to ensure that an effective internal control framework exists within the entity, and to produce half year and annual financial statements.

#### **Managing risks:**

The Board meets regularly to evaluate, control, review and oversee the implementation of the company's operations and objectives.

Regular controls established by the Board include:

- delegation of authority to the Executive Chairman to ensure approval of expenditure obligations;
- implementation of operating plans, cash flows and budgets by management and Board monitoring of progress against projections; and
- procedures to allow directors, and management in the furtherance of their duties, to seek independent professional advice via the utilisation of various external technical consultants.

The Board recognises the need to identify areas of significant business risk and to develop and implement strategies to investigate these risks.

#### **Commitment to stakeholders & ethical standards:**

Although the company has not yet developed a Code of Conduct, the Board supports the highest standards of corporate governance and requires its members and the management and staff of the company to act with integrity and objectivity in relation to:

- Compliance with laws and regulations affecting the company's operations;
- The ASX's Corporate Governance;
- Employment practices;
- Responsibilities to the community;
- Responsibilities to the individual;
- The environment;
- Conflict of interests;
- Confidentiality;
- Ensure that shareholders and the financial community are at all times fully informed in accordance with the spirit and letter of the ASX's continuous disclosure requirements;
- Corporate opportunities arising from these for personal gain or to compete with the company;
- Protection of and proper use of the company's assets; and
- Active promotion of ethical behaviour.

#### **Monitoring of the board's performance and communication to shareholders:**

In order to ensure that the Board continues to discharge its responsibilities in an appropriate manner, the performance of all directors is reviewed by the Chairman.

The Board aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the directors. Information is communicated to the shareholders through:

- the annual financial report which is distributed to all shareholders;
- the half-yearly report distributed to shareholders so requesting;
- adherence to continuous disclosure requirements;
- the annual general meeting and other meetings so called to obtain shareholder approval for Board action as appropriate;
- the provision of the company's website containing all of the above mentioned reports and its ongoing update and maintenance.

## **MERIDIEN CAPITAL LIMITED**

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### **DIRECTORS' REPORT**

Your directors present their report on the company and its controlled entities for the financial year ended 30 June 2008.

#### **Directors**

The names of directors in office at any time during or since the end of the year are:

Mr. Kevin Shirlaw  
Mr. John McColl  
Mr. Kevin Good

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### **Information on Directors**

##### **Mr. Kevin R Shirlaw FCA ,ACIS – (Chairman)**

Kevin became a qualified chartered accountant in 1964 and a member of the Institute of Corporate Managers and Administrators in 1968. Kevin became a partner of B O Smith & Son in 1973 and became the managing partner in 1982.

In 1985 the firm merged with Forge Connolly, Chartered Accountants who had become a part of the international firm known as Horwath and Horwath. Kevin remained as a senior partner of the merged firm until 1998 at which time he became a Senior Consultant. He now practices as Kevin Shirlaw & Associates.

Kevin Shirlaw has specialised in business recovery and insolvency since 1975. He has acted as an administrator of numerous public and private companies and has been instrumental in the restructuring of the financial affairs of corporations, trusts and individuals.

Kevin's wealth of experience enables him to provide advice in relation to a number of industries including property and construction, leisure and tourism, mining, retail, manufacturing, professional practices and the motor vehicle industry.

Kevin is a Registered Trustee and an officer of The Supreme Court of New South Wales.

Kevin currently is involved for ten days a month in matters relating to the Company.

##### **Mr. John McColl – (Executive Director)**

John was born in France and migrated to Australia in 1970.

Shortly thereafter he commenced his business career with the Commonwealth Bank before moving to the Banque Nationale de Paris in 1975 where he spent 18 years as a Senior Corporate Manager.

In 1991 he was elected to the Assemblée des Français de l'Étranger AFE (French Parliament) where he represents registered French voters residing in Australia, New Zealand and Vanuatu. He was reelected in 1994, 2000 and again in 2006.

John is President of the Commission of Cultural Affairs and Education and Director and Treasurer of the Association Nationale des Ecoles Françaises à l'Etranger (National Association of Schools Abroad) in Paris and a Director of the French-Australian Chamber of Commerce and Industry.

In 2002 John was awarded the Chevalier de l'Ordre National de la Légion d'Honneur (French Legion of Honour).

At this stage John is involved for four days a month in matters relating to the Company.



**MERIDIEN CAPITAL LIMITED**

**ABN 15 121 348 730**

**DIRECTORS' REPORT**

**Mr. Kevin Good – (Executive Director)**

Kevin entered the Finance and Insurance industry in 1973 when he set up a Sydney-based consultancy business. For the past thirty three years he has continued developing this business to be at the leading edge of innovative financial concepts.

Kevin is a director of the financial services company, AAA Financial Group Ltd. This company is involved in a broad range of financial services including: Stockbroking, Financial Planning, Insurance Advising, Mortgage and Finance and General Insurance.

Kevin is currently involved for four days a month in matters relating to the Company.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Company Secretary**

The following person held the position of company secretary at the end of the financial year:

**Mr. Kevin Good**

**Principal Activities**

The principal activities of the company during the financial year were:

- Investment in listed small cap companies.
- § Pre IPO investment in small cap entities proposing to list on the Australian Stock Exchange or National Stock Exchange.

There were no other significant changes in the nature of the company's principal activities during the financial year.

**Operating Results**

The loss of the Company after providing for income tax amounted to **\$165,145**.

**Dividends Paid or Recommended**

No dividends were paid or declared by the company during the financial year or the prior year. The director's do not recommend the payment of a dividend.

## **MERIDIEN CAPITAL LIMITED**

**ABN 15 121 348 730**

### **DIRECTORS' REPORT**

#### **Review of Operations**

During the past financial year the Company has been focused on its core business of assisting small cap companies list on the National Stock Exchange and the Australian Stock Exchange.

In this respect the company has been mandated to advise and manage the listing of Meridien Resources Limited and Lotsa Printing Limited, both of which are expected to list in the October-December quarter of 2008. Further mandates in relation to Peak Capital Limited and Medvest Limited envisage listings in the January-March quarter of 2009.

The Prospectus and underwriting arrangements with respect to Meridien Resources Limited are currently near finalisation and the company expects to be listed in November 2008. Meridien Capital is entitled to 2,000,000 ordinary 0.50cent shares and 1,000,000 0.50cent options in Meridien Resources Limited. Consequently on listing Meridien Capital will make a \$1,000,000 unrealised profit from this initiative.

During the year the Company acted as a facilitator in the acquisition of Emperor Gold Mines (Fiji) by the UK listed company River Diamonds PLC. Meridien received a success fee in the form of 2,080,000 River Diamonds shares in May 2008. At the time of the acquisition the value of these shares was approx. £83,000 (A \$185, 000).

The Company was furthermore part of the advisory team that assisted the principals of Pentridge Village in its takeover bid for the minority shareholders in this property development company. Meridien Capital earned a \$75,000 fee as a direct result of its involvement.

The company acquired 105,682 shares in the unlisted Angkor Wat Resources Inc for \$25,000 in December 2007. Angkor Wat owns several gold producing tenements in Cambodia and has now revised its expected listing date on the Toronto Stock Exchange to February-March 2009. Subsequent placements of stock in Angkor Wat point to a significant upside in the value of the Company's investment.

The prospective listings of Meridein Resources Limited, Lotsa Printing Limited and Peak Capital Limited will afford Meridien Capital and excellent opportunity to recover a significant proportion of its future operating costs. All three companies will share thier registered office and corporate head quarters with Meridien Capital in Sydney and in the case of Meridien Resources Limited alone and amount \$4000 per month will be recoverable in respect of office rent and administrative support.

#### **Significant Changes in State of Affairs**

The following significant changes in the state of affairs of the company occurred during the financial year:

- i. On 28 November 2007 the company issued 100,000 ordinary shares to provide additional working capital of \$50,000.
- ii. On 25 January 2008 the company issued 30,000 ordinary shares to provide additional working capital of \$15,000.
- iii. On 20 May 08 the company issued 389.800 ordinary shares to provide additional working capital of \$152,558.81.
- iv. On 25 June 08 the company cancelled 20,000 ordinary shares as part of the consideration received for the impaired receivable for the amount of \$20,667 from a shareholder of the company. Impairment expense of \$10,667 was recognised for this transaction.

#### **After Balance Date Events**

Over the last three months the River Diamonds PLC share price has fallen from 4 pence to a little under 2 pence which has had the effect of halving the value of the Company's investment to approx. \$90,000. This would appear to have been an aberration as a result of a major private investor having to sell his entire position. Reports from the mine are very positive with respect to increases in production over the net 3-6 months and the river Diamonds share price is expected to recover significantly during this period.

## **MERIDIEN CAPITAL LIMITED**

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### **DIRECTORS' REPORT**

#### **Future Developments, Prospects and Business Strategies**

The company will continue to operate as an investment company and anticipates the emergence of some good investments opportunities once the equity markets stabilize over the coming months.

In accordance with its objectives the Company will work to develop opportunities for new listings on the National Stock Exchange.

#### **REMUNERATION REPORT**

This report details the nature and amount of remuneration for each key management person of Meridien Capital Limited, and for the executives receiving the highest remuneration.

##### **Remuneration policy**

The remuneration policy of Meridien Capital Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The board of Meridien Capital Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for key management personnel of the Company is as follows:

- All key management personnel receive the agreed salary or fee.
- The remuneration policy, setting the terms and conditions for the key management personnel, was developed and approved by the board.

All remuneration paid to key management personnel is valued at the cost to the company and expensed. Shares given to key management personnel are valued as the difference between the market price of those shares and the amount paid by the key management personnel. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The board determines payments to the non-executive directors. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company.

##### **Performance-based remuneration**

Currently there is no performance-based component.

##### **Key Management Personnel Remuneration Policy**

The board's policy for determining the nature and amount of remuneration of key management for the Company is as follows:

The remuneration structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the company.

**MERIDIEN CAPITAL LIMITED****A B N 1 5 1 2 1 3 4 8 7 3 0****DIRECTORS' REPORT****Key Management Personnel Remuneration****2008**

Key Management Person	Short-term Benefits			Total
	Cash, salary and commissions	Non-cash benefit	Other	
	\$	\$	\$	
Kevin Shirlaw	36,000	-	-	36,000
John McColl	12,375	-	-	12,375
Kevin Good	8,462	-	-	8,462
Michael Ivkovic	88,388	14,512	-	102,900
	145,225	14,512	-	159,737

**Performance income as a proportion of total remuneration**

During the reporting period, no director and executive have been paid performance based bonuses based on set monetary figures.

**Options issued as part of remuneration for the year ended 30 June 2008**

During the reporting period, no director and executive have been issued with options as part of remuneration for the year.

**Meetings of Directors**

During the financial year, 13 meetings of directors were held. Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended
Kevin Shirlaw	13	13
John McColl	13	11
Kevin Good	13	12

**Indemnifying Officers or Auditor**

During or since the end of the financial year the company has given an indemnity or entered into an agreement to indemnify all the company's directors.

**Options**

At the date of this report, the unissued ordinary shares of Meridien Capital Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
17 May 2007	30 September 2011	\$0.50	1,799,000

**MERIDIEN CAPITAL LIMITED**

**ABN 15 121 348 730**

**DIRECTORS' REPORT**

**Proceedings on Behalf of Company**

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

**Non-audit Services**

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2008:

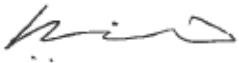
	\$
Taxation services	1,000

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 30 June 2008 has been received and can be found on page 14 of the directors' report.

Signed in accordance with a resolution of the Board of Directors.

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**Kevin Shirlaw**

Executive Chairman

Dated this 30th                      day of September                      2008

**MERIDIEN CAPITAL LIMITED**

**ABN 15 121 348 730**

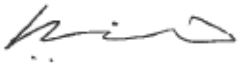
**Directors' Declaration**

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) 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 company; and
- (c) 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 s295(5) of the Corporations Act 2001.

On behalf of the directors



**Kevin Shirlaw**  
**Executive Chairman**

Sydney, 30 September 2008



**DFK - Richard Hill**

CHARTERED ACCOUNTANTS &  
BUSINESS ADVISERS

**Director:**  
**RICHARD L.S. HILL**  
B.Com, FCA

**Associate Director:**

**DAVID G. SHARP**  
B.Com, A.C.A

Telephone: (612) 9221 0444  
Facsimile: (612) 9221 5935  
Email: rhill@dfkrichardhill.com.au  
www.dfkrichardhill.com.au

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF MERIDIEN CAPITAL LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2008 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: DFK Richard Hill

Name of Partner: Richard Hill

Date: 30 September 2008

Address: Level 11, 32 Martin Place Sydney 2000



Chartered Accountants  
Liability limited by the Accountants  
Scheme Approved under the Professional  
Standards Act 1994 (NSW)

**DFK - RICHARD HILL PTY LTD**  
A.C.N. 003 304 023 A.B.N. 86 003 304 023  
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A member firm of  
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INTERNATIONAL  
A worldwide association of independent  
Accounting firms and business advisors

**MERIDIEN CAPITAL LIMITED**

**ABN 15 121 348 730**

**Income Statement  
for the financial year ended 30 June 2008**

		<b>2008</b>	<b>2007</b>
		<b>\$</b>	<b>\$</b>
	<b>Notes</b>		
Revenue	2	<b>291,294</b>	43,180
Employee benefits expense		<b>162,362</b>	67,780
Depreciation expense		<b>563</b>	-
Impairment		<b>10,667</b>	-
Other expense		<b>281,890</b>	83,747
Finance costs		<b>957</b>	-
(Loss) before income tax	3	<b>(165,145)</b>	(108,347)
Income tax expense	4	<b>-</b>	-
Loss for the year		<b>(165,145)</b>	(108,347)
Loss attributable to members of the company		<b>(165,145)</b>	(108,347)
Basic earnings per share (cents per share)	8	<b>(4)</b>	(4)
Diluted earnings per share (cents per share)	8	<b>(4)</b>	(4)

Notes to the financial statements are included on pages 19 to 35



**MERIDIEN CAPITAL LIMITED**

**ABN 15 121 348 730**

**Balance Sheet  
as at 30 June 2008**

	<b>Notes</b>	<b>2008 \$</b>	<b>2007 \$</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9	<b>31,001</b>	35,106
Trade and other receivables	10	<b>210,007</b>	164,450
Financial asset	11	<b>200,659</b>	206,014
Other current asset	13	<b>14,445</b>	14,345
<b>TOTAL CURRENT ASSETS</b>		<b>456,112</b>	419,915
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12	<b>117,110</b>	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>117,110</b>	-
<b>TOTAL ASSETS</b>		<b>573,222</b>	419,915
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	<b>67,141</b>	56,500
Financial Liability	15	<b>12,900</b>	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>80,041</b>	56,500
<b>NON-CURRENT LIABILITIES</b>			
Financial Liability	15	<b>89,625</b>	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>89,625</b>	-
<b>TOTAL LIABILITIES</b>		<b>169,666</b>	56,500
<b>NET ASSETS</b>		<b>403,556</b>	363,415
<b>EQUITY</b>			
Issued Capital	16	<b>676,284</b>	471,762
Share option reserve		<b>764</b>	-
Accumulated losses		<b>(273,492)</b>	(108,347)
<b>TOTAL EQUITY</b>		<b>403,556</b>	<b>363,415</b>

Notes to the financial statements are included on pages 19 to 35

**MERIDIEN CAPITAL LIMITED**

**ABN 15 121 348 730**

**Statement of changes in equity  
for the financial year ended 30 June 2008**

	<b>Attributable to equity holders</b>			
	<b>Issued capital</b>	<b>Options Reserves</b>	<b>Accumulated losses</b>	<b>Total equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2006</b>	-	-	-	-
Shares issued during the year (net of issue costs)	470,998	-	-	470,998
(Loss) for the period	-	-	(108,347)	(108,347)
Options Reserve	-	764	-	764
<b>Balance at 30 June 2007</b>	<u>470,998</u>	<u>764</u>	<u>(108,347)</u>	<u>363,415</u>
Shares issued during the year	232,558.81	-	-	232,558.81
Transaction costs	(17,272.72)	-	-	(17,272.72)
Shares cancelled during the year	(10,000)	-	-	(10,000)
Loss for the period	-	-	(165,145.19)	(165,145.19)
Options Reserve	-	-	-	-
<b>Balance at 30 June 2008</b>	<u>676,284.09</u>	<u>764</u>	<u>(273,492.19)</u>	<u>403,555.9</u>

Notes to the financial statements are included on pages 19 to 35

**MERIDIEN CAPITAL LIMITED**

**ABN 15 121 348 730**

**Statement of cash flows  
for the financial year ended 30 June 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from Fee income	<b>84,091</b>	-
Receipts from held –for- sale financial asset	<b>221,027</b>	-
Payments to suppliers and employees (inclusive of GST)	<b>(451,086)</b>	(162,751)
Interest received	<b>244</b>	1,912
Interest paid	<b>(957)</b>	(545)
Bank Interest Withholding tax	<b>(100)</b>	-
Taxes (paid) received- GST	<b>36,078</b>	-
<b>Net cash inflow from operating activities</b>	<b>(110,702)</b>	(161,384)
<b>Cash flows from investing activities</b>		
Payment for property, plant and equipment	<b>(28,089)</b>	-
Payment for Investments	<b>(54,100)</b>	(391,841)
Proceeds from sale of investment		112,833
<b>Net cash (outflow) from investing activities</b>	<b>(82,189)</b>	(279,008)
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares and other equity securities	<b>188,786</b>	595,001
Share issue expenses	-	(119,503)
<b>Net cash inflow from financing activities</b>	<b>188,786</b>	475,498
<b>Net increase in cash and cash equivalents</b>	<b>(4,105)</b>	35,106
Cash at the beginning of the year	<b>35,106</b>	-
<b>Cash at the end of the financial year</b>	<b>31,001</b>	35,106

Notes to the financial statements are included on pages 19 to 35

**Notes to the financial statements  
for the financial year ended 30 June 2008**

**NOTE 1: Summary of significant accounting policies**

**Basis of Preparation**

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**a.. Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

**Property, Plant and Equipment**

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets including capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

**Class of Fixed Asset**

**Depreciation Rate**

Plant and equipment

3–25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount.

**Notes to the financial statements  
for the financial year ended 30 June 2008**

**NOTE 1: Summary of significant accounting policies continue**

These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**b. Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the Company, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

**c. Financial Instruments**

*Recognition and Initial Measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

*Derecognition*

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

*Classification and Subsequent Measurement*

*i. Financial assets at fair value through profit or loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a Company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

**Notes to the financial statements  
for the financial year ended 30 June 2008**

**NOTE 1: Summary of significant accounting policies continue**

*ii. Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

*iii. Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

*iv. Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

*v. Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

**Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**d. Impairment of Assets**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

**e. Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

**f. Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**g. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**h. Revenue and Other Income**

**Notes to the financial statements  
for the financial year ended 30 June 2008**

**NOTE 1: Summary of significant accounting policies continue**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue relating to construction activities is detailed at Note 1(e).

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Investment property revenue is recognised on a straight-line basis over the period of lease term so as to reflect a constant periodic rate of return on the net investment.

All revenue is stated net of the amount of goods and services tax (GST)

i. **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

j. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

k. **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

**MERIDIEN CAPITAL LIMITED**

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**Notes to the financial statements  
for the financial year ended 30 June 2008**

The financial report was authorised for issue on 30 September 2008 by the board of directors.

<b>NOTE 2: REVENUE</b>	<b>Note</b>	<b>2008</b>	<b>2007</b>
		<b>\$</b>	<b>\$</b>
Sales revenue			
Services Revenue		248,793	-
Interest Received	2a	17,130	3,114
Realised gain on disposal of held for sale listed shares		40,747	42,476
Unrealised gains (loss) on disposal of held for sale listed shares		(15,376)	(2,410)
		<hr/> 291,294	<hr/> 40,066
a.			
Interest revenue from:			
Other related parties		8,990	1,202
Other persons		8,140	1,912
Total interest revenue		<hr/> 17,130	<hr/> 3,114
 <b>NOTE 3: LOSS FOR THE YEAR</b>		 <b>2008</b>	 <b>2007</b>
		<b>\$</b>	<b>\$</b>
<b>Expenses</b>			
Significant expenses			
Rental expense		105,974	11,572



MERIDIEN CAPITAL LIMITED

ABN 15 121 348 730

**Notes to the financial statements  
for the financial year ended 30 June 2008**

**NOTE 4: INCOME TAX EXPENSE**

**Note**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
(a) The components of income tax expense comprise:		
Current income tax change	-	-
Tax portion of capital raising costs	-	-
	-	-
(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Net Loss	(165,145)	(108,346)
Prima facie tax benefit on loss from ordinary activities before income tax at 30%	(49,544)	(32,504)
Add/(less):		
Tax effect of:		
- Capital raising costs deductible	(8,597)	-
- Other add back items	23,975	13,548
- Other subtract items	(7,669)	(9,617)
	(41,834)	(28,573)
Tax portion of capital raising costs recognised in the profit & loss	-	-
Tax effect of tax losses not brought to account as they do not meet the recognised criteria	41,834	28,573
Deferred tax asset in respect of tax losses not brought to account	(41,834)	(28,573)
Income tax attributable to operating loss	-	-
Total income tax losses for which no deferred tax asset has been recognised	234,688	95,242

MERIDIEN CAPITAL LIMITED

ABN 15 121 348 730

Notes to the financial statements  
for the financial year ended 30 June 2008

NOTE 5. KEY MANAGEMENT PERSONNEL COMPENSATION

a. Names and positions held of entity key management personnel in office at any time during the financial year are:

Key Management person	Position
Mr. Kevin Shirlaw	Chairman - Executive
Mr. John McColl	Director - Executive
Mr. Kevin Good	Director - Executive
Mr. Michael Ivkovic	Consultant/ Manager

Key management personnel remuneration has been included in the Remuneration Report section of the Directors Report.

b. Options and Rights Holdings

Number of Options Held by Key Management Personnel

	Balance 01.07.2007	Granted as Compensation	Options Exercised	Net Changes Other
Mr. Kevin Shirlaw	140,000	-	-	-
Mr. John McColl	25,000	-	-	-
Mr. Kevin Good	25,000	-	-	-
Mr. Michael Ivkovic	550,000	-	-	-
Total	740,000			

	Balance 30.6.2008	Total Vested 30.6.2008	Total Exer- cisable 30.6.2008	Total Unexer- cisable 30.6.2008
Mr. Kevin Shirlaw	140,000	140,000	140,000	-
Mr. John McColl	25,000	25,000	25,000	-
Mr. Kevin Good	25,000	25,000	25,000	-
Mr. Michael Ivkovic	550,000	550,000	550,000	-
Total	740,000	740,000	740,000	

Number of Shares held by Key Management Personnel

	Balance 01.07.2007	Received as Compensation	Options Exercised	Net Changes Other	Balance 30.06.2008
<b>Key Management Personnel</b>					
Mr. Kevin Shirlaw	310,000	-	-	-	310,000
Mr. John McColl	50,000	-	-	-	50,000
Mr. Kevin Good	50,000	-	-	-	50,000
Mr. Michael Ivkovic	1,100,000	-	-	-	1,100,000
Total	1,510,000				1,510,000

**Notes to the financial statements  
for the financial year ended 30 June 2008**

**NOTE6 – RELATED PARTY TRANSACTIONS**

Transactions with related parties:

**Key Management Personnel**

The aggregate amounts recognised during the year relating to key management personnel and their related parties were as follows:

Mr. Michael Ivkovic is the manager of the Company. During the year he was paid a total amount of \$ 71,115 by the way of consulting fee. He was also provided the usage of a company motor vehicle which has costed a total \$14,511.68 during the reporting period. Furthermore, Mr. Ivkovic received \$17,273 for the extra work performed in the capital raising in June 2008.

Mr. Kevin Shirlaw occasionally hired part of the Company's rented office for his own business. For that, he has paid back the Company a total amount of \$8,182 in the year.

Loans to Wine Bloc and S & F Holdings. Refer to Note 10 i) and ii).

Apart from the details disclosed in this note, no Director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving Directors interests existing at the year end.

**Note 7: AUDITORS' REMUNERATION****Note**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Remuneration of the auditor of the entity for:		
auditing or reviewing the financial report	12,000	18,000

**NOTE 8: EARNINGS PER SHARE****Note**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
a. Reconciliation of earnings to profit and loss		
Loss	165,145	108,347
Losses used to calculated basic EPS	165,145	108,347
Losses used in the calculation of dilutive EPS	165,145	108,347
	<b>No.</b>	<b>No.</b>
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	3,753,957	2,695,033
Weighted average number of options outstanding	-	-
Weighted average number of converting preference shares on issue	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	3,753,957	2,695,033

**MERIDIEN CAPITAL LIMITED**

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**Notes to the financial statements  
for the financial year ended 30 June 2008**

<b>NOTE 9: CASH AND CASH EQUIVALENTS</b>		<b>Note</b>	<b>2008</b>	<b>2007</b>
			<b>\$</b>	<b>\$</b>
Cash at bank and in hand			31,001	35,106
			<u>31,001</u>	<u>35,106</u>
<b>Reconciliation of cash</b>				
Cash at end of the financial year as shown in the cash flow statement is reconciled to items in the valance sheet as follows:				
Cash and cash equivalents			<u>31,001</u>	<u>35,106</u>
<b>NOTE 10: TRADE AND OTHER RECEIVABLES</b>		<b>Note</b>	<b>2008</b>	<b>2007</b>
			<b>\$</b>	<b>\$</b>
<b>CURRENT</b>				
Other receivables			25,262	24,425
Amounts receivable from:				
Other related parties (unsecured)			<u>184,745</u>	<u>140,026</u>
			<u>210,007</u>	<u>164,451</u>

**i) Wine Bloc**

Wine Bloc Pty Ltd was incorporated in 2006 for the specific purpose of facilitating a joint venture to redevelop the heritage precinct of Pentridge Village in Melbourne.

Wine Bloc is controlled 55% by the family interests of Peter Chiavaroli and 45% by Sydlyn Pty Ltd (as trustee for the Ivkovic Family Trust). Michael Ivkovic is a beneficiary of Ivkovic Family Trust.

In the three month period ending 30<sup>th</sup> June 2008 unit holders provided a further \$150,000 to facilitate progressive works, thereby increasing total unit holders' loans from \$550,000 to \$700,000. Meridien Capital provided \$11,000 of this additional funding thereby increasing its total facility to \$101,000.

Wine Bloc Pty Ltd has been working to redevelop the heritage precinct of Pentridge into wine storage facilities and the settlement of the first 98 strata wine cells is now expected to gross Wine Bloc over \$6.0 million in revenue.

Further delays in the issue of titles to the heritage building which houses the wine cells have resulted in a postponement of settlements which are now expected in November 2008. Consequently, the Meridien Capital board has formally extended the repayment date to 30<sup>th</sup> November 2008.

**Notes to the financial statements  
for the financial year ended 30 June 2008**

**NOTE 10: TRADE AND OTHER RECEIVABLES CONTINUE**

In addition to repayment of the \$101,000 loan Meridien is entitled to 12% interest and a fee equal to a minimum \$50,000 or 10% of Wine Bloc's net income up to 30 June 2009.

It is envisaged that Wine Bloc will ultimately be the cornerstone asset for a proposed Real Estate Investment Trust (REIT) to be listed on the NSX in the second quarter of calendar year 2009.

**ii) S & F Holdings**

S & F Holdings Pty Limited is a special purpose company which has secured the option to acquire a 75 unit development site located at Diamond Beach, three hours north of Sydney. Kevin Shirlaw and Michael Ivkovic own one nominal share each in this entity which has been identified as a further asset for the proposed REIT to be listed in the second quarter of calendar year 2009.

Meridien Capital has extended a loan of \$17,500 to S & F Holdings to facilitate part of the \$70,000 option fee paid to the vendor. This advance is repayable on 31<sup>st</sup> October 2008 together with a facility fee of \$7,500.

**iii) Netley Coal/Alma Energy (Darrell Williams)**

Meridien agreed to advance US\$40,000 to Netley Coal/Darrell Williams as a first instalment of a US\$150,000 total facility in May 2007. In return Meridien was entitled to full repayment of all funds and an ongoing share of coal royalties from the Netley Mine in Kentucky.

Undertaking from Darrell Williams and John Kenny/Amon Mahon/Larry Cook underpin the US\$40,000.

Following protracted negotiations and legal actions Alma Coal has been successful in reaching settlement with the mine owner and has been awarded a significant compensation payment by the Court. We had previously been advised that we could expect full payment of our loan no later than the 31<sup>st</sup> March 2008. Consequent to these events the board of Meridien formally approved an extension to the repayment date to the 31<sup>st</sup> March 2008.

A repayment of \$19 363.61 was received on the 2nd of July 2008 and following further representations from Williams with respect to repayment of the balance the board of Meridien approved a further extension to the 30<sup>th</sup> September 2008

MERIDIEN CAPITAL LIMITED

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**Notes to the financial statements  
for the financial year ended 30 June 2008**

<b>NOTE 11: Financial Assets</b>	<b>Note</b>	<b>2008</b>	<b>2007</b>
		<b>\$</b>	<b>\$</b>
Available-for-sale financial assets	11a	200,659	206,014
a. Available-for-sale Financial Assets Comprise			
Listed investments, at fair value			
shares in listed corporations		175,059	206,014
Option subscribed		600	-
Unlisted investments, at cost			
shares in other related parties		25,000	-
Total Available-for-sale Financial assets		200,659	206,014
<b>NOTE 12: PROPERTY, PLANT AND EQUIPMENT</b>			
	<b>Note</b>	<b>2008</b>	<b>2007</b>
		<b>\$</b>	<b>\$</b>
Motor Vehicle:			
at cost		117,673	-
Less accumulated depreciation		(563)	-
Total Motor Vehicle		117,110	-
<b>NOTE 13. OTHER ASSETS</b>			
	<b>Note</b>	<b>2008</b>	<b>2007</b>
		<b>\$</b>	<b>\$</b>
CURRENT			
Rental Bond		13,800	13,800
Withholding tax paid		645	545
		14,445	14,345
<b>NOTE 14. TRADE AND OTHER PAYABLES</b>			
	<b>Note</b>	<b>2008</b>	<b>2007</b>
		<b>\$</b>	<b>\$</b>
CURRENT			
Sundry payables and accrued expenses		67,141	56,500
		67,141	56,500

MERIDIEN CAPITAL LIMITED

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**Notes to the financial statements  
for the financial year ended 30 June 2008**

**NOTE 15. FINANCIAL LIABILITIES**

	<b>Note</b>	<b>2008</b>	<b>2007</b>
		<b>\$</b>	<b>\$</b>
<b>CURRENT</b>			
Lease liability		12,900	-
<b>NON-CURRENT</b>			
Lease liability		89,625	-
		<u>89,625</u>	<u>-</u>

**NOTE 16. ISSUED CAPITAL**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
4,179,800 (2007: 3,652,000) fully paid ordinary shares	646,284	471,762
	<b>No.</b>	<b>No.</b>
<b>a. Ordinary shares</b>		
At the beginning of reporting period	3,652,000	3,652,000
shares issued during the year		
28 November 2007	100,000	-
25 January 2008	30,000	-
3 June 2008	415,800	-
13 June 2008	2,000	-
Shares cancelled during the year:		
27 June 2008	(20,000.00)	-
At reporting date	<u>4,179,800</u>	<u>3,652,000</u>

**NOTE 17: CASH FLOW INFORMATION**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>a. Reconciliation of Cash Flow from Operations with Loss from Ordinary Activities after Income Tax</b>		
Loss from ordinary activities after income tax	(165,145)	(108,347)
Non-cash flows in profit from ordinary activities		
Impairment	10,000	-
Unrealised loss	15,376	2,410
Depreciation	563	-
Fee income paid by shares	(164,702)	(112,833)
Cost of share sold	180,281	70,354
	<u>(123,628)</u>	<u>(148,416)</u>
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in debtors	4,140	(6,242)
(Increase)/decrease in income tax paid	-	(545)
(Increase)/decrease in other assets	(21,296)	(31,726)

**Notes to the financial statements  
for the financial year ended 30 June 2008**

Increase/(decrease) in trade creditors and accruals	17,140	25,000
Increase/(decrease) in HP liability	12,941	-
Cash flow from operations	(110,702)	(161,384)

**18. Segment information**

The company operates in a single segment being the investment in Australian Listed and unlisted companies.

**19. Subsequent events**

Over the last three months the River Diamonds PLC share price has fallen from 4 pence to a little under 2 pence which has had the effect of halving the value of the Company's investment to approx. \$90,000. This would appear to have been an aberration as a result of a major private investor having to sell his entire position. Reports from the mine are very positive with respect to increases in production over the net 3-6 months and the river Diamonds share price is expected to recover significantly during this period.

**20. Financial risk Management**

**Financial Risk Management Policies**

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, loans to and from subsidiaries and leases.

The main purpose of non-derivative financial instruments is to raise finance for Company operations.

No derivatives are being used by the Company during the financial year. The Company does not speculate in the trading of derivative instruments.

**i. Treasury Risk Management**

Due to the size of the company, a separate finance committee does not exist. The full Board considers credit risk policies and future cash flow requirements as required.

The board's overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

**ii. Financial Risk Exposures and Management**

The main risks the Company are exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk credit risk and price risk.

**Interest rate risk**

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 30 June 2008 the only debt that is exposed to interest rate risk is the Lease Liabilities of which the interest is fixed at 9.29%.

**Foreign currency risk**

The Company is exposed to fluctuations in foreign currencies arising from the purchase of goods and services in currencies other than the Company's measurement currency.

**Liquidity risk**

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities as required are maintained. The Company's operations may require it to raise capital as required.



**Notes to the financial statements  
for the financial year ended 30 June 2008**

**20. Financial risk Management**

**Credit risk**

Credit risk is managed on a Company basis and refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company as well as through deposits with financial institutions.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. There are no collateral held as security at 30 June 2008.

**Price risk**

The Company is not exposed to any particular product or services price risk.

**b. Financial Instruments**

**i. Financial instrument composition and maturity analysis:**

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

**MERIDIEN CAPITAL LIMITED**

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**Notes to the financial statements  
for the financial year ended 30 June 2008**

**20. Financial risk Management**

**FIXED MATURITY DATES**

2008	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	VARIABLE INTEREST RATE \$	LESS THAN 1 YEAR \$	1-2 YEARS \$	2-3 YEARS \$	3-5 YEARS \$	NON INTEREST BEARING \$	TOTAL \$
Financial assets								
Cash and cash equivalents	2.1	31,001	-	-	-	-	-	31,001
Trade and other receivables	-	-	-	-	-	-	210,007	210,007
Other financial assets	-	-	-	-	-	-	215,104	215,104
		31,001	-	-	-	-	425,111	456,112
Financial liabilities								
Trade and other payables	-	-	-	-	-	-	67,141	67,141
Lease liabilities	9.29	-	12,900	12,900	12,900	63,825	-	102,525
		-	12,900	12,900	12,900	63,825	67,141	169,666

**FIXED MATURITY DATES**

2007	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	VARIABLE INTEREST RATE \$	LESS THAN 1 YEAR \$	1-2 YEARS \$	2-3 YEARS \$	3-5 YEARS \$	NON INTEREST BEARING \$	TOTAL \$
Financial assets								
Cash and cash equivalents	2.1	35,106	-	-	-	-	-	35,106
Trade receivables	-	-	-	-	-	-	164,450	164,450
Other financial assets	-	-	-	-	-	-	220,359	220,359
		35,106	-	-	-	-	384,809	419,915
Financial liabilities								
Trade and other payables		-	-	-	-	-	56,500	56,500
		-	-	-	-	-	56,500	56,500

**Notes to the financial statements  
for the financial year ended 30 June 2008**

**20. Financial risk Management**

**ii. Net Fair Values**

The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values (2007: net fair value).

**iii. Sensitivity Analysis**

**Interest Rate Risk, Foreign Currency Risk and Price Risk**

The Company has performed sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and price risk at balance date. 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*

At 30 June 2008, the effect on loss and equity as a result of 2% increase in the interest rate, with all other variables remaining constant would be a decrease in loss by \$600 (2007: \$ 600) and an increase in equity by \$600 (2007:\$ 600).

*Foreign Currency Risk Sensitivity Analysis*

The Company is not exposed to any material foreign currency risk.

*Price Risk Sensitivity Analysis*

The Company is not exposed to any particular product or service price risk.

**Note 21: CHANGE IN ACCOUNTING POLICY**

AASB Amendment	Standards Affected		Outline of Amendment	Application Date of Standard	Application Date for Company
AASB 2007–3 Amendments to Australian Accounting Standards	AASB 5	Non-current Assets Held for Sale and Discontinued Operations	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing of AASB 8: Operating Segments in February 2007.	1.1.2009	1.7.2009
	AASB 6	Exploration for and Evaluation of Mineral	These amendments will		
	AASB 102	Inventories	involve changes to		
	AASB 107	Cash Flow Statements	segment reporting		
	AASB 119	Employee Benefits	disclosures within the		
	AASB 127	and Separate Financial Statements	financial report.		
	AASB 134	Interim Financial Reporting	However, it is		
	AASB 136	Impairment of Assets	anticipated there will be		
	AASB 1023	General Insurance Contracts	no direct impact on		
			recognition and measurement criteria amounts included in the		

**MERIDIEN CAPITAL LIMITED**

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**Notes to the financial statements  
for the financial year ended 30 June 2008**

<b>AASB Amendment</b>	<b>Standards Affected</b>	<b>Outline of Amendment</b>	<b>Application Date of Standard</b>	<b>Application Date for Company</b>
	AASB 1038 Life Insurance Contracts	financial report		
AASB 8 Operating Segments	AASB 114 Segment Reporting	As above	1.1.2009	1.7.2009
AASB 2007–6 Amendments to Australian Accounting Standards	AASB 1 First time adoption of AIFRS	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the financial Company as they already capitalise borrowing costs related to qualifying assets.	1.1.2009	1.7.2009
	AASB 101 Presentation of Financial Statements			
	AASB 107 Cash Flow Statements			
	AASB 111 Construction Contracts			
	AASB 116 Property, Plant and Equipment			
	AASB 138 Intangible Assets			
AASB 123 Borrowing Costs	AASB 123 Borrowing Costs	As above	1.1.2009	1.7.2009
AASB 2007–8 Amendments to Australian Accounting Standards	AASB 101 Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income.	1.1.2009	1.7.2009
AASB 101	AASB 101 Presentation of Financial Statements	As above	1.1.2009	1.7.2009



## DFK - Richard Hill

CHARTERED ACCOUNTANTS &  
BUSINESS ADVISERS

**Director:**  
**RICHARD L.S. HILL**  
B.Com. FCA

**Associate Director:**

**DAVID G. SHARP**  
B.Com. A.C.A

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERIDIEN CAPITAL LIMITED

#### Report on the Financial Report

We have audited the accompanying financial report of Meridien Capital Limited which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

As permitted by the Corporations Regulations 2001, the company has disclosed information about the remuneration of directors and executives (remuneration disclosures), required by Accounting Standard AASB 124: Related Party Disclosures, under the heading 'Remuneration Report' in pages 10 to 11 of the directors' report and not in the financial report.

#### *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 (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

The directors also are responsible for preparation and presentation of the remuneration disclosures contained in the directors' report in accordance with the Corporations Regulations 2001.

#### *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 and that the remuneration disclosures in the directors' report comply with Accounting Standard AASB 124.

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 judgment, 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 and the remuneration disclosures in the directors' report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Chartered Accountants

Liability limited by the Accountants  
Scheme Approved under the Professional  
Standards Act 1994 (NSW)

#### DFK - RICHARD HILL PTY LTD

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## DFK - Richard Hill

CHARTERED ACCOUNTANTS &  
BUSINESS ADVISERS

**Director:**  
**RICHARD L.S. HILL**  
B.Com. FCA

**Associate Director:**

**DAVID G. SHARP**  
B.Com. A.C.A

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### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Meridien Capital Limited on 30 Jun 2008 would be in the same terms if provided to the directors as at the date of this auditor's report.

### *Auditor's Opinion*

In our opinion:

- a. the financial report of Meridien Capital Limited is in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the company's and entity's financial position as at 30 June 2008 and of their 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;
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1; and
- c. the remuneration disclosures that are contained in 7 to 8 of the directors' report comply with Accounting Standard AASB 124.

Name of firm: DFK Richard Hill

Name of partner: Richard Hill

Address: Level 11, 32 Martin Place Sydney 2000

Dated this 30 day of September 2008



Chartered Accountants

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**MERIDIEN CAPITAL LIMITED**

ABN 15 121 348 730

**Additional NSX information**

The following is additional information provided in accordance with the listing requirements of the National Stock Exchange Limited.

Shareholdings at 15 September 2008

**(a) Substantial shareholders**

As shown in the company's register of substantial shareholders is set below:

	<b>Ordinary shares</b>	<b>%</b>
SYDLYN PTY LTD <IVKOVIC FAMILY SUPER FUND>	1,100,000	26.30
FAIRCHOICE LIMITED	500,000	11.96

**(b) Distribution of shareholder's holdings as at 15 September 2008 is:**

<b>Holdings Ranges</b>	<b>Holders</b>	<b>Total Units</b>	<b>%</b>
1-1,000	0	0	0.000
1,001-5,000	62	253,927	6.072
5,001-10,000	42	331,325	7.923
10,001-100,000	59	1,293,548	30.933
100,001-99,999,999,999	7	2,303,000	55.072
<b>Totals</b>	<b>170</b>	<b>4,181,800</b>	<b>100.000</b>

**(c) Stock exchange listing**

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the NSX under the code MEK.

**(d) Income tax**

The company is taxed as a public company.

**(e) Voting rights**

On show of hands one vote for every registered Shareholder and on a poll, one vote for each share held by a registered Shareholder.

**(f) Restricted securities**

At the date of this report there are securities subject to restrictions.

- Restricted options:

<b>Issuing entity</b>	<b>Number of shares under option</b>	<b>Class of Shares</b>	<b>Exercise price of option</b>	<b>Expiry date of options</b>	<b>Note</b>
Meridien Capital Limited	740,000	Ordinary	\$0.50	30 September 2011	Escrowed 24 months from listing

**MERIDIEN CAPITAL LIMITED**

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**Additional NSX information (continued)**

- Restricted shares

Issuing entity	Number of shares	Class of Shares			Note
Meridien Capital Limited	1,480,000	Ordinary			Escrowed 24 months from listing

**(g) Use of cash**

The company used cash and assets in a form readily convertible to cash in a manner that was consistent with its business objectives during the year ended 30 June 2007.

**(h) Additional information**

The company continues to comply with the NSX Listing Rules disclosure requirements and has not been queried by NSX since having listed. The company reports to NSX which makes available all reports to those who wish to access them. All NSX releases and other background information are posted regularly on the company's website. The company intends to post on its website its annual report and all other required notices to its shareholders.

The board reviews and receives advice on areas of operational and financial risks. Business risk management strategies are developed as appropriate to mitigate all identified risks of the business. The directors are aware of the guidelines for the content of a code of conduct to guide compliance with legal and other obligations to shareholders but have not formally established such a code. Where applicable to its activities, the directors ensure that the company is responsible to its shareholders, employees, contractors, advisers, individuals and the community.

**(i) Top twenty shareholders as at 15 September 2008**

The names of the 20 largest holders of fully paid ordinary shares constituting a class of quoted equity securities on the NSX including the number and percentage held by those at 15 September 2008 are as follows:

Holder Name	Balance at 15-09-2008	%
SYDLYN PTY LTD <IVKOVIC FAMILY SUPER FUND>	1,100,000	26.304
FAIRCHOICE LIMITED	500,000	11.957
FINLAY (AUST) PTY LTD <SHIRLAW FAMILY A/C>	250,000	5.978
MR JOHN LESLIE MACFARLANE & MRS CATHERINE HILDA MACFARLANE <AUST PACIFIC INV P/L S/F A/C>	118,000	2.822
LYNPLAN PTY LTD <LANDER FAMILY A/C>	117,000	2.798
CALIBRATE AUSTRALIA PTY LTD <CALIBRATE STAFF S/F A/C>	110,000	2.630
COLLINS STREET SECURITIES PTY LTD	108,000	2.583
MR STEPHEN JAMES WHITE	80,000	1.913
KINETIC SECURITIES PTY LTD	70,000	1.674
P O NOMINEES PTY LTD	50,000	1.196
MR KEVIN GOOD	50,000	1.196
MR WILLIAM JOSEPH CLANCY & MRS CATHERINE MARY CLANCY <THE CLANCY SUPER FUND A/C>	50,000	1.196



**MERIDIEN CAPITAL LIMITED**

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MARLEY HOLDINGS PTY LTD	50,000	1.196
ROBERT BOSCARATO PTY LTD <R&K BOSCARATO S/F A/C>	50,000	1.196
MR KEVIN SHIRLAW	50,000	1.196
MR JOHN MCCOLL	50,000	1.196
RICHARD HAMMOND & MURRAY HAMMOND <GUSCO P/L EMP S/F NO 1 A/C>	50,000	1.196
ADVANCE CONVEYORS PTY LTD	42,000	1.004
MR JOHN FREDERICK MCLACHLAN	30,886	0.739
ZIMMYS PTY LTD <ZIMMYS FAMILY A/C>	26,500	0.634
	2,952,386	70.601
<b>Issued Capital</b>		<b>4,181,800</b>