

# **Meridien Capital Limited**

**ABN 15 121 348 730**

## **Half Year Financial Report**

**31 December 2008**

**This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2008 and any public announcements made by Meridien Capital Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.**

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**Corporate Directory**

Meridien Capital Limited is a public company incorporated in Australia.

**Directors**

Mr Kevin Shirlaw (Chairman)  
Mr Michael Ivkovic  
Mr Kevin Good

**Secretary**

Mr Kevin Good

**Registered Office and  
Principal Place of Business**

Level 17  
BNP Paribas Centre,  
60 Castlereagh Street  
Sydney NSW 2000  
Ph: (02) 9220 3613  
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**Solicitors and Nominated Advisor**

Whittens Lawyers & Consultants  
Suite 9, Level 5  
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Sydney NSW 2000  
Ph: (02) 9264 2216  
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**Website**

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

**Auditors**

DFK – Richard Hill Pty Ltd  
Level 11  
32 Martin Place  
Sydney NSW 2000  
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**Share Registry**

Registries Limited  
Level 2 , 28 Margaret Street  
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Ph: (02) 9290 9600  
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## **Directors' Report**

Your directors submit the financial report of the Company for the half year ending 31 December 2008.

### **DIRECTORS**

The names of directors who held the office during or since the end of the half year are:

Mr. Kevin Shirlaw

Mr. Michael Ivkovic

Mr. Kevin Good

Mr. John McColl (resigned 25 November 2008)

### **REVIEW OF OPERATIONS**

Over the past six months the Company has continued to focus on its core business of assisting small cap companies list on the National Stock Exchange and Australian Stock Exchange.

During the period the Company earned \$278,348 in fee income but lost \$154,983 on the sale of its listed share portfolio. The later figure included a total write down of the Company's investment of \$25,000 in the suspended Mercator Gold PLC.

The significant deterioration in global credit and equity markets resulted in the abandonment of the Lotsa Printing and Medvest listings. The prospective Peak Capital listing has been deferred to the third quarter of calendar year 2009.

Despite the current economic climate the Meridien Resources Limited and recently mandated Equatorial Capital Limited listings are still proceeding.

Both companies are involved in the acquisition and development of gold mining tenements in New South Wales and Papua respectively.

The Prospectus and Underwriting Agreement for Meridien Resources Limited have now been finalized and the company expects to be listed in April. Meridien Capital Limited has been issued 2,000,000 Ordinary \$0.50 cent shares and 1,000,000 \$0.50 cent options in Meridien Resources Limited. On listing Meridien Capital Limited will make a \$1,000,000 unrealised profit.

The Prospectus and Underwriting agreements for Equatorial Capital Limited are nearing finalisation and this company is scheduled to list on the National Stock Exchange in May 2009. Meridien Capital Limited will earn up to \$50,000 in fees from this initiative and will be issued ordinary shares and options to the value of \$150,000 on completion of the listing.

The prospective listings of Meridien Resources Limited, Equatorial Capital Limited and Peak Capital Limited will afford Meridien Capital an excellent opportunity to recover a significant proportion of its future operating costs. All three companies will share their registered office and corporate head quarters with Meridien Capital in Sydney and in the case of Meridien Resources Limited alone an amount of \$4,000 per month will be recoverable in respect of office rent and administrative support.

The renewal of our office lease on more favourable terms, together with a reduction in the quantum of Directors' fees, following the resignation of Mr John McColl, will result in further cost savings over the next twelve months.

## **SUBSEQUENT EVENTS**

On 27 February 2009 the directors and management of the Company were issued with a total of 300,000 options under the Company's Employee Share Option scheme.

These options were allotted as follows:

K. Shirlaw	100,000
M. Ivkovic	100,000
K. Good	75,000
C. Ivkovic	25,000

These options are exercisable at \$0.25 cents with an expiry date of 27 February 2014.

On 13 March 2009 Kevin Shirlaw exercised 100,000 options and Kevin Good exercised 47,600 options thereby providing a total of \$36,900 of new working capital for the Company.

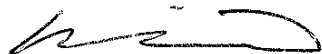
## **FUTURE DEVELOPMENTS**

The Company will continue to operate as an investment company and anticipates the emergence of good investment opportunities despite the current economic situation.

Notwithstanding, the Company will assume a risk adverse view with respect to investment in listed equities over the next 3-6 months and instead focus on maximising the returns from fees and share entitlements from Meridien Resources and Equatorial Capital.

This report is signed in accordance with a resolution of the Board of Directors.

**Director**



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**Kevin Shirlaw**

**Executive Chairman**

Sydney, 16 March 2009


**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, 16 March 2009

**MERIDIEN CAPITAL LIMITED ABN 15 121 348 730**  
**AUDITORS INDEPENDENT DECLARATION UNDER SECTION 307C OF THE CORPORATION ACT**  
**TO THE DIRECTORS OF MERIDIEN CAPITAL LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2008, there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporation 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 Pty Ltd

Name of Partner: Richard Hill

Date: 16 March 2009

Address: Level 11, 32 Martin Place Sydney 2000

MERIDIEN CAPITAL LIMITED

ABN 15 121 348 730

**Income Statement**  
**For the Half Year ended 31 December 2008**

	Notes	31 Dec 2008 \$	31 Dec 2007 \$
Revenue		<b>438,182</b>	188,841
Cost of held for sale financial instruments sold		<b>(300,764)</b>	(140,628)
Employee benefits expenses		<b>(108,565)</b>	(78,668)
Depreciation expenses		<b>(5,712)</b>	-
Finance costs		<b>(12,556)</b>	(5,438)
Consulting expenses		<b>(133,692)</b>	(21,437)
Occupancy expenses		<b>(43,096)</b>	(55,391)
Administrative expenses		<b>(47,138)</b>	(43,177)
<b>(Loss) before income tax expenses</b>		<b>(213,341)</b>	<b>(155,898)</b>
Income tax expenses		-	-
<b>(Loss) for the period</b>		<b>(213,341)</b>	<b>(155,898)</b>
(Loss) attributable to equity holders of the entity		<b>(213,341)</b>	<b>(155,898)</b>
<b>(Loss) Per Share - Basic (per share)</b>		<b>(0.05)</b>	<b>(0.11)</b>
<b>(Loss) Per Share - Diluted (per share)</b>		<b>(0.05)</b>	<b>(0.11)</b>

Notes to the financial statements are included on pages 12 to 14



**Balance Sheet**  
**As at 31 December 2008**

Notes	31 Dec 2008 \$	30 June 2008 \$
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	-	31,001
Trade and other receivables	281,683	210,007
Financial Instruments Held for Sale	25,361	200,659
Other current assets	13,800	14,445
<b>Total Current Assets</b>	<b>320,844</b>	<b>456,112</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	111,398	117,110
<b>Total Non-Current Assets</b>	<b>111,398</b>	<b>117,110</b>
<b>Total Assets</b>	<b>432,242</b>	<b>573,222</b>
<b>Current Liabilities</b>		
Trade and other payables	111,136	67,141
Financial Liabilities	14,809	12,900
<b>Total Current Liabilities</b>	<b>125,945</b>	<b>80,041</b>
<b>Non -Current Liabilities</b>		
Financial Liabilities	86,809	89,625
<b>Total Non -Current Liabilities</b>	<b>86,809</b>	<b>89,625</b>
<b>Total Liabilities</b>	<b>212,754</b>	<b>169,666</b>
<b>Net Assets</b>	<b>219,488</b>	<b>403,556</b>
<b>Equity</b>		
Issued Capital	705,557	676,284
Share option reserve	764	764
Accumulated losses	(486,833)	(273,492)
<b>Total Equity</b>	<b>219,488</b>	<b>403,556</b>

Notes to the financial statements are included on pages 12 to 14

**Statement of cash flows  
for the financial year ended 31 December 2008**

	31 Dec 2008 \$	31 Dec 2007 \$
<b>Cash flows from operating activities</b>		
Receipts from Fee income	196,754	-
Receipts from sale of shares	154,983	156,823
Payments for purchase of held for sale financial instruments	(136,062)	(25,600)
Payments to suppliers and employees (inclusive of GST)	(280,361)	(213,416)
Interest received	427	121
Interest paid	(3,635)	-
Bank Interest Withholding tax	(160)	(50)
Taxes (paid) received- GST	12,289	15,494
<b>Net cash inflow from operating activities</b>	<b>(55,765)</b>	<b>(66,628)</b>
<b>Cash flows from investing activities</b>		
Payment for property, plant and equipment	(10,690)	-
Payment for Investments	-	(20,000)
<b>Net cash (outflow) from investing activities</b>	<b>(10,690)</b>	<b>(20,000)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares and other equity securities	1,000	57,500
Proceeds from borrowings	13,181	-
Repayment of borrowings	19,364	-
<b>Net cash inflow from financing activities</b>	<b>33,545</b>	<b>57,500</b>
<b>Net increase in cash and cash equivalents</b>	<b>(32,910)</b>	<b>(29,128)</b>
Cash and cash equivalents at the beginning of 1/7/2008	31,001	35,106
<b>Cash at the end of the reporting period 31/12/08</b>	<b>(1,909)</b>	<b>5,978</b>

Notes to the financial statements are included on pages 12 to 14

**Statement of changes in equity  
for the half year ended 31 December 2008**

**Attributable to equity holders**

	<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 2007</b>	470,998	764	(108,347)	363,415
Shares issued during the year (net of issue costs)	64,000	-	-	64,000
(Loss) for the period	-	-	(155,898)	(155,898)
Roundings			(1)	(1)
<b>Balance at 31 December 2007</b>	534,998	764	(264,246)	271,517
<b>Balance at 1 July 2008</b>	676,284	764	(273,492)	403,556
Shares issued during the year (net of issue costs)	29,273	-	-	29,273
(Loss) for the period	-	-	(213,341)	(213,341)
<b>Balance at 31 December 2008</b>	<b>705,557</b>	<b>764</b>	<b>(486,833)</b>	<b>219,488</b>

Notes to the financial statements are included on pages 12 to 14

**Notes to the financial statements  
for the financial year ended 31 December 2008**

**NOTE 1 - Basis of Preparation**

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30th June, 2008 and any public announcements made by Meridien Capital limited during the half year in accordance with the continuous disclosure requirements arising under the Corporations Act, 2001

The half-year consolidated financial report does not include full disclosures of the type normally included in an annual financial report.

***Reporting Basis and Conventions***

The half-year consolidated financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Since 1 July 2008 the Company has adopted the following Standards and Interpretations mandatory for annual periods beginning on or after 1 January 2008. Adoption of these Standards and Interpretations did not have any effect on the financial performance or position of the Company:

- AASB 7 Financial Instruments: Disclosures
- AASB 2005-10 Amendments to Australian Accounting Standards (AASB 132, 101, 114, 117, 133, 139, 1, 4, 1023 and 1038)
- AASB 2005-4 Amendments to Australian Accounting Standards arising from ED 151 and other amendments
- AASB 2008-7 Amendments to Australian Accounting Standards (AASB 1, 2, 4, 5, 107 and 108)

***Statement of compliance***

The half-year consolidated financial report complies with the Corporations Act 2001 and AASB 134 "Interim Financial reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 134 "Interim Financial Reporting".

***Significant Accounting Policies***

The half-year financial statements have been prepared using the same accounting policies as used in the annual financial statement for the year ended 30 June 2008.

***Going concern basis***

The financial report has been prepared on the going concern basis which contemplates continuity of normal business activities and realization of assets and settlement of liabilities in the ordinary course of the business. The directors believe this basis to be appropriate as the Company will be able to raise additional funding as and when required.

**Notes to the financial statements  
for the financial year ended 31 December 2008**

**2. Current trade and other receivables**

	<b>Note</b>	<b>31 Dec 2008</b>	<b>30 June 2008</b>
		<b>\$</b>	<b>\$</b>
Other receivables		140,083	79,086
Amounts receivable from:			
Other related parties (unsecured)	(i, ii)	141,600	130,921
		<u>281,683</u>	<u>210,007</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.

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 will gross Wine Bloc over \$6.0 million in revenue.

Delays in the issue of title to the heritage building which will house the wine cells have resulted in a number of postponements to settlements which are now expected in April 2009. Consequently the repayment date on this facility was extended to the 30 April 2009.

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 fourth 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.

The advance was originally repayable on 31 October 2008 but an extension to 30 June 2009 was recently approved by the Meridien Capital board. This approval was based on the expectation that Development Approval for this site from the Taree Council will be available within this time frame.

**MERIDIEN CAPITAL LIMITED**

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**Notes to the financial statements  
for the financial year ended 31 December 2008**

**3. Segment information**

The company operates in a single segment being assisting small cap companies list on the National Stock Exchange and Australian Stock Exchange.

**4. Subsequent events**

On 27 February 2009 the directors and management of the Company were issued with a total of 300,000 options under the Company's Employee Share Option scheme.

These options were allotted as follows:

K. Shirlaw	100,000
M. Ivkovic	100,000
K. Good	75,000
C. Ivkovic	25,000

These options are exercisable at \$0.25 cents with an expiry date of 27 February 2014.

On 13 March 2009 Kevin Shirlaw exercised 100,000 options and Kevin Good exercised 47,600 options thereby providing a total of \$36,900 of new working capital for the Company.



**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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**MERIDIEN CAPITAL LIMITED ABN 15 121 348 730**  
**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**TO THE MEMBERS OF MERIDIEN CAPITAL LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompany half-year financial report of Meridien Capital Limited which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standard (including the Australian Accounting Interpretations) and the *Corporation Act 2001*. This responsibility included establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year 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.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Report and the Corporation Regulation 2001. As the auditor of Meridien Capital Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A Review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

In conducting our review, 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 14 March 2008, would be in the terms if provided to the directors as at the date of this auditor's review report.



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

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A member firm of  
**DFK**  
INTERNATIONAL  
A worldwide association of independent  
Accounting firms and business advisors



**DFK - Richard Hill**

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**MERIDIEN CAPITAL LIMITED ABN 15 121 348 730**  
**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**TO THE MEMBERS OF MERIDIEN CAPITAL LIMITED**

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Meridien Capital Limited is not in accordance with the *Corporations Act 2001* including:

- A giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- B complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Name of Firm: DFK Richard Hill Pty Ltd

Name of Partner: Richard Hill

Date: 16 March 2009

Address: Level 11, 32 Martin Place Sydney 2000



Chartered Accountants  
Liability limited by the Accountants  
Scheme Approved under the Professional  
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