

FORM: Half yearly/preliminary final report

Name of issuer

Florin Mining Investment Company Limited

ACN or ARBN

111 170 882

Half yearly
(tick)

Preliminary
final (tick)

Half year/financial year ended
('Current period')

30th June 2009

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

				\$A
Operating Revenue (item 1.1)	Down	93.51%	To	(770,085)
Operating Profit (loss) before abnormal items and tax	Down	50.64%	To	(891,381)
Operating Profit (loss) before realised gains /(losses) on the investment portfolio	Down	45.16%	To	(621,406)
Profit (loss) for the period attributable to security holders (item 1.11)	Down	229.24%	To	(762,273)
Income Distributions		Current period	Previous corresponding period	
Dividends Paid		-	0.01 Per Share Fully Franked Dividend paid on 17 December 2008	
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

Annual meeting
(Preliminary final statement only)

The annual meeting will be held as follows:

Place

TBA

Date

Time

Approximate date the annual report will be available

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.

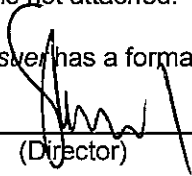
3. This statement does give a true and fair view of the matters disclosed (see note 2).

4. This statement is based on financial statements to which one of the following applies:

- The financial statements have been audited. The financial statements have been subject to review by a registered auditor (or overseas equivalent).
- The financial statements are in the process of being audited or subject to review. The financial statements have *not* yet been audited or reviewed.

5. If the accounts have been or are being audited or subject to review and the audit report is not attached.

6. The *issuer* has a formally constituted audit committee.

Sign here:  Date:

Print name: Steven Pritchard

FLORIN MINING INVESTMENT COMPANY LIMITED

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
Income from investment portfolio	3	5,180	9,076
Income from trading portfolio	3	(776,770)	(422,695)
Income from deposits	3	1,505	10,291
Income from sub-underwriting	3	0	5,370
Total income from ordinary activities		(770,085)	(397,958)
Administration expenses		(89,754)	(135,888)
Finance costs		(5,710)	(9,897)
Management fees		(25,834)	(48,001)
Operating profit/(loss) before income tax and realised gains/(losses) on the investment portfolio	4	(891,381)	(591,744)
Income tax (expense)/credit relating to ordinary activities *	5	269,975	163,650
Operating profit/(loss) before realised gains/(losses) on the investment portfolio		(621,406)	(428,094)
Net gains/(losses) on investments			
Realised gain/(loss) on the investment portfolio		4,118	280,810
Income tax (expense) thereon *	5	(1,235)	(84,243)
AASB 139 'impairment' revaluation charge on investment portfolio	2	(205,357)	-
Tax credit on AASB 139 'impairment' revaluation charge *	2	61,607	-
		(140,867)	196,567
(Loss)/profit attributable to members of the company		(762,273)	(231,527)
 Overall Operations			
Basic earnings per share (cents per share)	8	(4.56)	(1.39)
Diluted earnings per share (cents per share)	8	(4.56)	(1.39)
 * Total tax expense / (benefit)	 5	 (330,347)	 (79,407)

The accompanying notes form part of these financial statements.

FLORIN MINING INVESTMENT COMPANY LIMITED

BALANCE SHEET AS AT 30 JUNE 2009

	Note	2009 \$	2008 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	155,342	11,321
Trade and other receivables	10	26,915	2,092
Trading portfolio	11	2,053,704	3,033,181
Other	12	21,810	2,225
Current tax assets	17	57,234	57,587
TOTAL CURRENT ASSETS		<u>2,315,004</u>	<u>3,106,407</u>
NON-CURRENT ASSETS			
Investment portfolio	13	589,503	1,298,064
Deferred tax assets	14	420,795	288,810
TOTAL NON-CURRENT ASSETS		<u>1,010,298</u>	<u>1,586,874</u>
TOTAL ASSETS		<u>3,325,302</u>	<u>4,693,281</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	30,633	31,921
Borrowings	16	(14,198)	77,423
TOTAL CURRENT LIABILITIES		<u>16,435</u>	<u>109,344</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities	18	291,666	583,667
TOTAL NON-CURRENT LIABILITIES		<u>291,666</u>	<u>583,667</u>
TOTAL LIABILITIES		<u>308,102</u>	<u>693,011</u>
NET ASSETS		<u>3,017,201</u>	<u>4,000,270</u>
EQUITY			
Issued capital	19	3,190,675	3,193,806
Reserves	20	471,244	686,027
Retained earnings		(644,719)	120,437
TOTAL EQUITY		<u>3,017,201</u>	<u>4,000,270</u>

The accompanying notes form part of these financial statements.

FLORIN MINING INVESTMENT COMPANY LIMITED

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

	Note	Issued Capital	Retained Earnings	Capital Profits Reserve	Investment Revaluation Reserve	Total
		\$	\$	\$	\$	\$
Balance at 1 July 2007		2,416,174	717,714	82,769	448,229	3,664,886
Issued shares	19a	814,430	-	-	-	814,430
Buy back of shares	19a	(84,612)	-	-	-	(84,612)
Share issue costs	19a	(16,054)	-	-	-	(16,054)
Dividends paid and dividend reinvestment plan	7 & 19	63,868	(169,183)	-	-	(105,315)
Profit/(Loss) for the year		-	(231,527)	-	-	(231,527)
Revaluation of investment portfolio (net of tax)	20b	-	-	-	(41,537)	(41,537)
Transfer to income statement for AASB 139 'impairment' revaluation charge (net of tax)	2	-	-	-	-	-
Transfers between reserves	20a	-	(196,567)	196,567	-	-
Balance at 30 June 2008		3,193,806	120,437	279,336	406,692	4,000,270
Balance at 1 July 2008		3,193,806	120,437	279,336	406,692	4,000,270
Issued shares	19a	-	-	-	-	-
Buy back of shares	19a	(3,131)	-	-	-	(3,131)
Share issue costs	19a	-	-	-	-	-
Dividends paid and dividend reinvestment plan	7 & 19	-	-	-	-	-
Profit/(Loss) for the year		-	(762,274)	-	-	(762,274)
Revaluation of investment portfolio (net of tax)	20b	-	-	-	(361,415)	(361,415)
Transfer to income statement for AASB 139 'impairment' revaluation charge (net of tax)	2	-	-	-	143,750	143,750
Transfers between reserves	20a	-	(2,883)	2,883	-	-
Balance at 30 June 2009		3,190,676	(644,719)	282,218	189,027	3,017,201

The accompanying notes form part of these financial statements.

FLORIN MINING INVESTMENT COMPANY LIMITED

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Sales from trading portfolio		1,265,689	2,411,894
Purchases for trading portfolio		(1,112,913)	(2,578,220)
Dividends received		22,354	20,849
Interest received		1,505	10,195
Sub underwriting fees received		-	5,370
Other Receipts		3,515	-
		180,151	(129,912)
Administration expenses		(97,228)	(77,884)
Bank charges		(430)	(1,291)
Borrowing costs		(5,722)	(7,310)
Management fees		(33,381)	(54,617)
Performance fees		-	(445,451)
Income tax paid		-	(137,359)
Other payments		-	(11,470)
Net cash provided/(used in) operating activities	22	43,390	(865,294)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales from investment portfolio		286,782	593,514
Purchases for investment portfolio		(91,049)	(496,791)
Net cash provided/ (used in) investing activities		195,733	96,723
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issue of shares/buyback of shares		(3,131)	729,819
Share issue costs		-	(36,850)
Proceeds from borrowings		227,048	595,378
Repayment of borrowings		(318,019)	(666,026)
Dividends paid		-	(105,315)
Net cash provided/(used in) by financing activities		(95,102)	517,006
Net increase/(decrease) in cash held		144,021	(251,565)
Cash at beginning of financial year		11,321	262,886
Cash at end of financial year	9	155,342	11,321

The accompanying notes form part of these financial statements.

FLORIN MINING INVESTMENT COMPANY LIMITED

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

Florin Mining Investment Company Limited is a listed public company, incorporated and domiciled in Australia.

The financial report of Florin Mining Investment Company Limited as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The financial report of Florin Mining Investment Company Limited as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. Florin Mining Investment Company Limited has not applied any Australian Accounting Standards or AASB interpretations that have been issued at balance date but are not yet operative for the year ended 30 June 2009 ("the inoperative standards"). The impact of the inoperative standards has been assessed and the impact has been identified as not being material. The Company only intends to adopt the inoperative standards at the date at which their adoption becomes mandatory.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on the basis of 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.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Policies

a. Investment and Trading Portfolios

(i) Balance Sheet classification

The Company has two portfolios of securities, the investment portfolio and the trading portfolio.

The investment portfolio relates to holdings of securities which the directors intend to retain on a long-term basis.

The trading portfolio comprises securities held for short term trading purposes.

The investment portfolio is classified as a 'non-current asset', whereas the trading portfolio is classified as a 'current asset'.

Ordinary securities within the investment portfolio are classified as 'assets available for sale', whilst securities within the trading portfolio are classified as 'assets measured at fair value through the Income Statement'.

(ii) Valuation of investment portfolio

Securities, including listed and unlisted shares and notes and options, are initially brought to account at cost, which is the cost of acquisition including transaction costs, and are revalued to market values continuously. Increments and decrements on Ordinary Securities are taken to the Investment Revaluation Reserve.

Where disposal of an investment occurs, any revaluation increment or decrement relating to it is transferred from the Investment Revaluation Reserve to the Income Statement. Subsequently, any revaluation or decrement to the extent of a capital profits reserve balance relating to the disposal of an investment is transferred to the Capital Profits Reserve.

(iii) Valuation of trading portfolio

Securities, including listed and unlisted shares and notes, are initially brought to account at cost which is the cost of acquisition including transaction costs and are revalued to market values continuously.

Increments and decrements on the value of securities in the trading portfolio are taken directly through to the Income Statement.

(iv) Determination of market value

Market value for the purposes of valuing holdings of the securities is determined by reference to market prices prevailing at balance date, predominantly the last sale price, where the securities are traded on an organised market. Where a security is not so traded, its fair value is determined by the Directors.

(v) Income from holdings of securities

Distributions relating to listed securities are recognised as income when those securities are quoted ex-distribution basis and distributions relating to unlisted securities are recognised as income when received. If the distributions are capital returns on ordinary securities the amount of the distribution is treated as an adjustment to the carry value of the securities.

b. Fair Value of Financial Assets and Liabilities

The fair value of cash and cash equivalents, and non-interest bearing monetary financial assets and liabilities of the Company approximates their carrying value.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

d. Cash and Cash Equivalents

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

e. Initial Public Offer Costs

The costs incurred in the establishment of the Company and its subsequent public offerings have been charged directly against contributed equity.

f. 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.

g. Comparative Figures

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

h. Foreign Currency Transactions and Balances

Foreign currency transactions during the year are converted to Australian currency using the exchange rates applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of foreign exchange ruling at that date.

i. Borrowings

The Company is party to an agreement under which BT Securities Limited have agreed to accept listed securities beneficially held by the Company as security under the loan facility.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

j. Impairment of assets in the Investment Portfolio

When the market value of a stock that is held in the investment portfolio is below the cost, it is reviewed as impairment. *AASB 139 – Financial Instruments: Recognition and Measurement* states that impairment has occurred if there has been a loss event or events that have an impact on the future cash flows of the financial asset that can be reliably estimated.

When 'impairment' is held to have occurred, the amount of the loss that has been taken through the Investment Revaluation Reserve is reversed and instead is taken through the Income Statement. Any subsequent increase in the market value of a stock thus impaired does not go through the Income Statement, however, but will be accounted for through the Revaluation Reserve whilst any further decrease will continue to be accounted for through the Income Statement.

The Investment Manager regularly reviews the stocks in the Investment Portfolio, and where it believes that such an event has occurred or is likely to occur, will seek to exit the position. Should that position not be exited by the balance sheet date, an impairment charge may be taken to the Income Statement as described above.

The Company is a long-term investor, and does not regard short-term or cyclical movements in the share-price of its investments as evidence of impairment. However, the relevant Accounting Standard also states that a "significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment." The Company's approach to this and the resultant charge are set out in Note 2.

k. Critical Accounting Estimates and Judgements

The preparation of financial reports in conformity with AIFRS requires the use of certain critical accounting estimates. This requires the Board and management to exercise their judgement in the process of applying the Company's accounting policies.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. In accordance with *AASB112 Income Taxes*, deferred tax liabilities have been recognised for Capital Gains Tax (CGT) on the unrealised gain in the Investment Portfolio at current tax rates.

As the directors do not intend to dispose of the portfolio, this tax liability may not be crystallised at the amount disclosed in Note 18. In addition, the tax liability that arises on disposal of these securities may be impacted by changes in tax legislation relating to treatment of capital gains and the rate of taxation applicable to such gains at the time of disposal.

The issue of whether any of the Company's investments are impaired is also a matter requiring the judgement. Refer to Note 2 for the Company's approach in relation to this and the resulting charge.

Apart from these, there are no key assumptions or sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

I. New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Company for the annual reporting period ending 30 June 2009. These are outlined in the table below.

Reference	Title	Summary	Application date of standard*	Impact on Company financial report	Application date for Company*
AASB 2007-3 and AASB 8	Operating Segments and consequential amendments to other Australian Accounting Standards	Amending standard issued as a consequence of AASB 8 Operating Segments	1 January 2009	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Company financial statements	1 July 2009
AASB 101 (revised) and AASB 2007-8	Presentation of financial statements and consequential amendments to other Australian Accounting Standards	The amendments of AASB 101 changes the disclosure requirements of the financial statements and notes to accounts	1 January 2009	The amendments are expected to change the current disclosures and presentation of the financial statements and notes to accounts	1 July 2009
AASB 2008-5 and 2008-6	Amendments to Australian Accounting Standards arising from the Annual Improvements Project	Amendments to Australian Accounting Standards arising from the IASB's first Annual Improvements Project. The Improvements project is an annual project that provides a mechanism for making non-urgent, but necessary amendments to AASB	1 January 2009 except amendments to AASB 5 (1 July 2009)	The Company has not yet determined the extent of the impact of the amendments, if any.	1 July 2009

* Designates the beginning of the applicable annual reporting period

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

NOTE 2: IMPAIRMENT CHARGE ON ACCOUNTS

The accounts include an impairment charge of \$143,750 for the year

This charge is based on an interpretation of *AASB 139 – Financial Instruments : Recognition and Measurement* that, subject to other evidence to the contrary and judgement, an investment is impaired if it has been below its accounting cost for a minimum of 15 months or if the fair value of the investment is more than 35% below its accounting cost.

The Company takes a long term view of investments, and does not believe that share prices in a cyclical downturn necessarily reflect the long term fair value of the underlying businesses and assets that it invests in.

If, in the Directors' opinion, an investment has become impaired due to significant changes to that particular holding that investment is divested from the Portfolio. Any 'impairment' charge would therefore be reflected in the Net gains or losses on investments sold from the investment portfolio.

The Directors believe that the interpretation of the standard used in the financial statements, and its application, does not reflect the long term nature of the Company's portfolio.

In addition, there is no current intention to sell any of the assets in the investment portfolio and the Directors do not consider that there is sufficient or reliable evidence to indicate that at some point in the medium to long term, any investments currently held will not recover their cost. Therefore, in the Directors' view, to take a 'realised' loss on an investment that the Directors have no current intention of selling does not accurately reflect the performance of the Company during the financial year.

It should be noted that any impairment charge that is taken on equity investments held by the Company cannot, under Accounting Standards, be reversed back through the Income Statement when the market price recovers, but must be revalued through the Balance Sheet. The impairment charge is thus permanent until such time as the asset is sold.

Shareholders should note that all investments are continuously marked to market. Any impairment charge taken on investments that are not disposed of by the Company therefore has no impact on the Net Tangible Assets or shareholders' equity.

NOTE 3: REVENUE

	2009	2008
	\$	\$
a. Income from Investment Portfolio		
— dividends received	5,180	9,076
Total Income from Investment Portfolio	5,180	9,076
b. Income from Trading Portfolio		
— sales revenue	1,290,361	2,326,700
— cost of sales	(2,084,305)	(2,761,168)
— net gains/(losses) from trading portfolio sales	(793,944)	(434,468)
— dividends received	17,174	11,773
Total Income from Trading Portfolio	(776,770)	(422,695)
c. Income from Deposits		
— interest income	1,505	10,291
Total income from Deposits	1,505	10,291

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

NOTE 3: REVENUE (continued)

	2009	2008
	\$	\$
d. Income from sub-underwriting		
— Sub-underwriting income	-	5,370
Total Income from Sub-underwriting	<u>-</u>	<u>5,370</u>
Total Revenue	<u>(770,085)</u>	<u>(397,958)</u>

NOTE 4: (LOSS)/ PROFIT FOR THE YEAR

Operating (loss)/profit before income tax has been determined after:

Expenses

Administration expenses	82,935	128,028
Bank expenses	409	1,290
Finance costs	5,301	9,897
Listing fees	6,819	6,570
Management fees	<u>25,834</u>	<u>48,001</u>
Profit/(loss) from operating activities before income tax and realised gains on the investment portfolio	<u>(891,381)</u>	<u>(591,744)</u>

NOTE 5: INCOME TAX EXPENSE

a. The components of tax expense comprise:

Increase/(decrease) in deferred tax assets – Investment portfolio	1,235	84,243
(Increase) / decrease in deferred tax assets - other	(89,986)	(552,621)
Increase / (decrease) in deferred tax liabilities	(179,989)	388,971
Tax credit on AASB 139 'impairment' revaluation charge	<u>(52,180)</u>	<u>-</u>
	<u>(320,922)</u>	<u>(79,407)</u>

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

NOTE 5: INCOME TAX EXPENSE (continued)

	2009	2008
	\$	\$
b. The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:		
Operating profit / (loss) before income tax expense and realised gains on investment portfolio	(891,381)	(591,744)
Prima facie tax payable on (loss)/profit from ordinary activities before income tax at 30% (2008: 30%)	(267,414)	(177,523)
Add:		
Tax effect of:		
— Imputation gross-up on dividends received	1,248	(1,331)
— Franking credits on dividends received	(4,159)	4,435
— Capital raising costs	-	(8,363)
Income tax (benefit)/expense on operating (loss)/profit before realised gains on investment portfolio	(270,326)	(182,781)
Under (Over) provision for tax prior year	350	19,131
Income tax expense	<u>(269,975)</u>	<u>(163,650)</u>
Realised gains (losses) on investment portfolio	4,118	280,809
Prima facie tax payable (credit) calculated at 30% (2007: 30%)	1,235	84,243
Income tax expense (credit) on realised gains (losses) on investment portfolio	<u>1,235</u>	<u>84,243</u>
Tax credit on AASB 139 'impairment' revaluation charge	<u>(52,182)</u>	<u>-</u>
Total income tax expense (credit)	<u>(320,922)</u>	<u>(79,407)</u>
c. Amounts recognised directly in equity		
Increase / (decrease) in deferred tax liabilities relating to capital gains on the increase in unrealised gains on securities in the investment portfolio	(112,012)	(1,915)
(Increase) / decrease in deferred tax assets relating to capital losses on the increase in unrealised losses on securities in the investment portfolio	(9,302)	(15,887)
Increase/(decrease) in deferred tax assets relating to capital raising costs	<u>(4,816)</u>	<u>(5,110)</u>
	<u>(126,130)</u>	<u>8,862</u>

NOTE 6: AUDITORS' REMUNERATION

Remuneration of the auditor of the company for:

Forsythes

— auditing or reviewing the financial report	<u>19,221</u>	<u>24,350</u>
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FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

	2009	2008
	\$	\$
NOTE 7: DIVIDENDS		
a. Dividends Paid or Declared		
Nil dividends paid (2008: 0.01)	-	169,183
Total dividends paid or declared in the financial year	-	169,183
 b. Franking Account		
Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables and it does not reflect the impact of dividends declared after balance date.	-	-
 NOTE 8: EARNINGS PER SHARE		
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	16,707,889	16,712,711
Weighted average number of options outstanding	16,169,560	21,356,239
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive earnings per share	16,707,889	16,712,711
 a. Basic and diluted earnings per share		
Profit / (Loss) attributable to members of the company	\$ (762,273)	\$ (231,527)
	Cents	Cents
Basic earnings per share including realised gains(losses) on the investment portfolio	(4.56)	(1.39)
Diluted earnings per share including realised gains(losses) on the investment portfolio	(4.56)	(1.39)
 b. Basic and diluted operating earnings per share excluding realised gains/(losses) on the investment portfolio		
Operating (loss)/profit before realised gains/(losses) on the investment portfolio	2009 \$ (621,406)	2008 \$ (428,094)
	Cents	Cents
Basic operating earnings per share excluding realised gains/(losses) on the investment portfolio	(3.72)	(2.56)
Diluted operating earnings per share excluding realised gains/(losses) on the investment portfolio	(3.72)	(2.56)

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

Note 8: Earnings per Share (continued)

c. Classification of securities	Number	Number
The following potential ordinary shares are not dilutive and therefore excluded from the weighted average number of ordinary shares for the purposes of dilutive earnings per share:		
- Options outstanding	16,169,560	21,964,780

NOTE 9: CASH AND CASH EQUIVALENTS

	2009	2008
	\$	\$
Cash at bank and in hand	5,957	10,001
Deposits at call	149,385	1,320
	155,342	11,321

The effective interest rate on cash at bank and deposits at call was 1.90% (2008: 6.73%).

The credit risk exposure of the Company in relation to cash and deposits is the carrying amount and any accrued unpaid interest.

Reconciliation of cash

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

Cash and cash equivalents	155,342	11,321
	155,342	11,321

NOTE 10: TRADE AND OTHER RECEIVABLES

CURRENT

Outstanding settlements – trading portfolio	24,676	-
Outstanding settlements – investment portfolio	639	-
Other debtors	1,604	2,092
	26,915	2,092

Receivables are non-interest bearing and unsecured.

The credit risk exposure of the Company in relation to receivables is the carrying amount.

NOTE 11: TRADING PORTFOLIO

CURRENT

Listed investments, at market value

- Shares	2,040,727	2,975,116
- Options	12,977	58,065
	2,053,704	3,179,687

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

	2009	2008
	\$	\$
NOTE 12: OTHER ASSETS		
New security issue applications	21,562	2,000
Prepayments	<u>247</u>	<u>225</u>
	<u>21,809</u>	<u>2,225</u>

NOTE 13: INVESTMENT PORTFOLIO

NON-CURRENT

Listed investments, at market value

- Shares	589,253	1,297,064
- Options	<u>250</u>	<u>1,000</u>
	<u>589,503</u>	<u>1,178,749</u>

NOTE 14: DEFERRED TAX ASSETS

The deferred tax asset is made up of the following estimated tax benefits:

- Tax Losses	342,646	245,447
- Temporary differences	<u>78,149</u>	<u>43,363</u>
	<u>420,795</u>	<u>139,146</u>

NOTE 15: TRADE AND OTHER PAYABLES

CURRENT

Sundry creditors and accrued expenses	<u>30,633</u>	<u>31,921</u>
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Note 16: BORROWINGS

CURRENT

Short-term borrowings - secured	<u>(14,198)</u>	<u>77,423</u>
	<u>(14,198)</u>	<u>77,423</u>

The above short-term borrowings are secured by listed securities held in the company's investment and trading portfolios. Repayment of the facility is done either through the use of cash received from dividends and distributions or the sale of securities. The effective interest rate on short term borrowings – secured was 9.09% (2008: 9.95%).

NOTE 17: TAX ASSETS

CURRENT

Income tax receivable	<u>57,234</u>	<u>57,587</u>
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FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

	2009	2008
	\$	\$
NOTE 18: DEFERRED TAX LIABILITIES		
NON-CURRENT		
Provision for deferred income tax attributable to:		
- Deferred capital gains tax	82,684	194,696
- Temporary differences	208,983	388,971
	291,666	583,667

NOTE 19: CONTRIBUTED EQUITY

16,750,883 (2008: 16,767,182) fully paid ordinary shares	18a	3,190,676	3,193,806
a. Ordinary shares			
At the beginning of reporting period		3,193,806	2,416,174
Shares issued during the year			
- 3,701,955 on 31 July 2007			814,430
- 290,364 on 17 December 2007			63,868
Shares bought back during the year			
- 45,000 on 13 March 2008			(9,099)
- 112,742 on 18 April 2008			(22,227)
- 50,452 on 07 May 2008			(9,181)
- 69,249 on 19 May 2008			(12,602)
- 34,000 on 13 June 2008			(6,531)
- 130,000 on 18 June 2008			(24,972)
- 10,000 on 21 August 2008		(1,921)	
- 6,299 on 26 September 2008		(1,210)	
		3,190,676	3,209,860
Transaction costs relating to share issues		-	(16,054)
At the end of reporting period		3,190,676	3,193,806

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Options

10,707,919 Series B Options expired on the 15 December 2008. None of the options were exercised

At 30 June 2009 there were 11,256,861 (2008:21,964,780) unissued ordinary shares for which options were outstanding. The options carry no rights to dividends and no voting rights.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

NOTE 20: RESERVES

Capital profits	19a	282,218	279,335
Investment revaluation	19b	167,035	406,692
		449,253	686,027

20a. Capital Profits Reserve

Movements During the Year

Opening balance		279,336	82,769
Transfer (to) / from retained earnings		2,882	196,567
Closing Balance		282,218	279,336

The capital profits reserve records capital profits made upon the sale of investments in the Company's investment portfolio.

20b. Investment Revaluation Reserve

Movements During the Year

Opening balance		406,692	448,229
Revaluation of the investment portfolio (net of tax)		(361,415)	(41,537)
		45,277	406,692
Transfer of AASB 139 'impairment' revaluation to income statement (net of tax)		121,758	-
Closing Balance		167,035	406,692

The investment revaluation reserve records revaluations of the Company's investment portfolio

NOTE 21: SEGMENT REPORTING

The Company operates in one business segment, being that of a listed investment company. The Company operates from Australia only and therefore has only one geographical segment. However the Company has investment exposures in different countries which are shown below. The Company invests in securities listed on overseas stock exchanges. Details of the geographical exposures are as follows:

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

NOTE 21: SEGMENT REPORTING (CONTINUED)

2009	Revenue \$	Unrealised Gains \$	Market Value \$	Portfolio %
Australia	22,355	278,228	2,586,160	92.60
Canada	-	(86,799)	7,418	0.27
United Kingdom	-	(11,711)	2,750	0.10
United States of America	-	(9,887)	46,609	1.67
Sub Total	22,355	169,830	2,642,937	94.63
Cash	1,505	-	150,023	5.37
Total	23,860	169,830	27,92,960	100.00
2008	Revenue \$	Unrealised Gains \$	Market Value \$	Portfolio %
Australia	20,849	1,200,600	4,226,096	97.55
Canada	-	(55,805)	38,413	0.89
United Kingdom	-	(9,228)	5,234	0.12
United States of America	-	4,736	61,232	1.41
Sub Total	20,849	1,140,303	4,330,975	99.97
Cash	10,291	0	1,320	0.03
Total	31,140	1,140,303	4,332,295	100.00

NOTE 22: CASH FLOW INFORMATION

	2009 \$	2008 \$
a. Reconciliation of Cash Flow from Operations with (Loss)Profit after Income Tax		
Profit / (loss) after income tax	(740,281)	(231,527)
Cash flows excluded from (loss)/profit attributable to operating activities		
Net realised (gains)/losses on the investment portfolio	(2,883)	(196,567)
(Increase)/decrease in current receivables	(44,653)	85,098
(Increase)/decrease in the trading portfolio	979,477	146,506
Increase/(decrease) in current payables	(1,288)	(367,795)
Net AASB 139 'impairment' revaluation charge	121,758	-
Increase/(decrease) in income taxes balances	(268,740)	(301,009)
Cash flow from operations	<u>43,390</u>	<u>(865,294)</u>

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

NOTE 23: RELATED PARTY TRANSACTIONS

Transactions with related parties:

<input type="checkbox"/> Rees Pritchard Pty. Limited for accounting fees.	40,915	50,128
<input type="checkbox"/> Rees Pritchard Pty. Limited for consulting fees in regards to the 2007 Prospectus	-	1,658

Steven Pritchard is interested in the above transactions as a director and a beneficial shareholder of Rees Pritchard Pty. Limited.

<input type="checkbox"/> Cameron Stockbrokers Limited for brokerage fees.	25,817	49,062
<input type="checkbox"/> Cameron Stockbrokers Limited for Investment management fees..	25,834	48,001

Steven Pritchard has an interest in the above transactions as a director of Cameron Stockbrokers Limited and as director and beneficial shareholder of Cameron Capital Limited.

Daniel Di Stefano is interested in the above transaction as a director and beneficial shareholder of Cameron Capital Limited.

Cameron Stockbrokers Limited is a wholly owned subsidiary of Cameron Capital Limited.

<input type="checkbox"/> Newcastle Capital Markets Registries Pty. Limited for share registry costs	11503	16,121
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Steven Pritchard is interested in the above transaction as a director and beneficial shareholder of Newcastle Capital Markets Registries Pty. Limited.

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

NOTE 24: DIRECTORS AND EXECUTIVES DISCLOSURE

In accordance with the Corporations Amendments Regulation 2005 (No.4) the Company has transferred the disclosure required by AASB 1046 from the notes to the Financial Statements to the Directors' Report under the heading of Remuneration Report.

NOTE 25: INVESTMENT TRANSACTIONS

The total number of contract notes that were issued for transactions in investments during the year was 261 (2008: 313). Each contract note may involve multiple transactions. The total brokerage paid on these contract notes was \$25,817 (2008: \$49,062).

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

NOTE 26: COMPANY DETAILS

The registered office of the Company is:

10 Murray Street
HAMILTON NEW SOUTH WALES 2303

The principle place of business is:

10 Spring Street
SYDNEY NEW SOUTH WALES 2000

NOTE 27: FINANCIAL RISK MANAGEMENT

Accounting Standards identify three types of risk associated with financial instruments (i.e. the Company's investments, receivables, payables and borrowings):

a. Credit Risk

The standard defines this as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk is managed as noted in the Notes to the financial statements with respect to cash and trade and other receivables. None of these assets are over-due or considered to be impaired.

b. Liquidity Risk

The standard defines this as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company monitors its cash-flow requirements and ensures that it has either cash or access to short term borrowing facilities sufficient to meet any payments.

The assets of the Company are largely in the form of readily tradeable securities which can be sold on-market if necessary.

c. Market Risk

The standard defines this as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price.

By its nature as the Company invests a substantial proportion of its assets in tradeable securities the Company is always subject to market risk as it invests its capital in securities which are not risk free i.e. the market price of these securities can fluctuate.

A general fall in market prices of 5% and 10%, if spread equally over all assets in the total portfolio would lead to a reduction in the Company's equity of \$92,503 and \$185,006 respectively, assuming a tax rate of 30%.

The Company seeks to minimise market risk by ensuring that it is not in the opinion of the Board, overly exposed to one company or one particular sector of the market. The relative weightings of the individual securities and relevant market sectors are reviewed regularly and risk can be managed by reducing exposure where appropriate. The Company does not have set parameters as to a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

NOTE 27: FINANCIAL RISK MANAGEMENT (CONTINUED)

The Company's investment across industry sectors as at 30 June is as below:	2009	2008
	%	%
Capital Goods	0.00	0.37
Cash & Equivalents	5.37	0.03
Commercial services and supplies	0.84	0.44
Energy	9.94	7.77
Materials	77.39	86.22
Metals & Mining	3.47	2.42
Pharmaceuticals, biotech and life sciences	0.97	0.00
Retailing	0.47	0.23
Software & services	1.26	1.15
Utilities	0.29	1.37
	100.00	100.00

Securities representing over 5 per cent of the investment portfolio at 30 June were:	2009
	%
Red Hill Iron Limited	6.14
	6.14

No other security represents over 5 per cent of the Company's investment and trading portfolios.

The Company is exposed to currency risk as some of its investments are quoted in currency other than Australian dollars. As noted in Note 20, the extent of those securities listed on the overseas stock exchanges is minimal, which significantly mitigates the Company's currency risk.

d. Interest Rate Risk

The standard defines this as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company monitors its interest rate exposure and the interest bearing liabilities are kept to a minimum.

A rise in interest rates of 1% will result in the company incurring additional finance costs of Nil, whilst a fall of 1% will result in interest savings of Nil

e. Capital Management

It is the Board's policy to maintain a strong capital base as to maintain investors and market confidence.

To achieve this, the Board monitors the Company's net tangible assets, its levels of borrowings and its investment performance.

The company raises additional capital by use of the dividend reinvestment plan

The Company is not subject to any externally imposed capital requirements.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (CONTINUED)

NOTE 28: SUBSEQUENT EVENTS AFTER 30 JUNE 2009

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of material and unusual nature likely, in the opinion of the directors of the Company to significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity, in future financial years.