Meridien Capital Limited

ABN 15 121 348 730

Annual Financial Report

for the year ended 30 June 2010

Contents

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 29
Chifley Tower,
2 Chifley Square
Sydney NSW 2000
Ph: (02) 9220 3581
Fax: (02) 9375 2121

Solicitors and Nominated Advisor
Whittens Lawyers & Consultants
Suite 9, Level 5
137 -139 Bathurst Street
Sydney NSW 2000
Ph: (02) 9264 2216
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Website
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

CORPORATE GOVERNANCE STATEMENT

Unless disclosed below, the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2010.

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:

Name	**Position**
Mr Kevin Shirlaw	Executive Director, Chairman
Mr Michael Ivkovic	Managing Director
Mr Kevin Good	Executive Director

When determining whether a non-executive director is independent the director must not fail any of the following materiality thresholds:

- Less than 10% of company shares are held by the director and any entity or individual directly or indirectly associated with the director;
- No shares are made to or purchases made from any entity or individual directly or indirectly associated with the director; and
- None of the directors' income or the income of an individual or entity directly or indirectly associated with director is derived from a contract with any member of the economic entity other than income derived as a director of the entity.

Independent directors have the right to seek independent professional advice in the furtherance of their duties as directors at the company's expense. Written approval must be obtained from the chair prior to incurring any expense on behalf of the company.

The names of the members of the nomination committee and their attendance at meetings of the committee are detailed in the directors' report.

Ethical Standards

The Board acknowledges and emphasises the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

A code of conduct has been established requiring directors and employees to:

- Act honestly and in good faith;
- Exercise due care and diligence in fulfilling the functions of office;
- Avoid conflicts and make full disclosure of any possible conflict of interest;
- Comply with the law;
- Encourage the reporting and investigating of unlawful and unethical behaviour; and
- Comply with the share trading policy outlined in the Code of Conduct.

Directors are obliged to be independent in judgement and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

Trading Policy

The company's policy regarding directors and employees trading in it securities, is set by the finance committee. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

CORPORATE GOVERNANCE STATEMENT

Audit committee

Due to the size of the company, there is no audit committee for the time being.

Performance Evaluation

An annual performance evaluation of the Board and all board members was conducted by the Board and facilitated by an independent consultant from TBC Consulting for the financial year ended 30 June 2010. The consultant developed a questionnaire for all board members and members of the senior management tram to provide feedback on how they thought the Board had performed. The chairman also speaks to each director individually regarding their tole as director. The results from the questionnaire were collated and developed into a series of recommendations to improve performance. This was presented to the Board at which time an action plan was developed to implement the recommendations and set the performance criteria and goals for the next year.

Board Roles and Responsibilities

The Board is first and foremost accountable to provide value to its shareholders though delivery of timely and balanced disclosures.

The Board sought external guidance to assist the drafting of its 'Board Governance Document' which has been made publicly available on the company's website. This document details the adopted practises and processes in relation to matters reserved for the Board's consideration and decision-making and specifies the level of authorisation provided to other key management personnel. The Board is ultimately responsible for ensuring its actions are in accordance with key corporate governance principles.

Shareholder Rights

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and receipt of annual and interim financial statements. Shareholders are strongly encouraged to attend and participated in the Annual General Meetings of Meridien Capital Limited, to lodge questions to be responded by the Board and/or the CEO, and are able to appoint proxies.

Risk Management

The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. A yearly assessment of the business's risk profile is undertaken and reviewed by the Board, covering all aspects of the business from the operational level through to strategic level risks. The CEO has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed regularly. The worsening economic environment has emphasised the importance of managing the reassessing it key business risks.

Remuneration 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.

Other Information

Further information relating to the company's corporate governance practices and policies has been made publicly available on the company's website at <http://www.meridiencapital.com.au/>

MERIDIEN CAPITAL LIMITED

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DIRECTORS' REPORT

Your directors present their report, together with the financial statements of the Company for the full financial year ending 30 June 2010.

PRINCIPAL ACTIVITIES

Over the past twelve 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.

OPERATING RESULTS AND REVIEW OF OPERATIONS

OPERATING RESULTS

The Company recorded a profit of $10,411 for the twelve month period to 30 June 2010. This compared to a loss of $74,000 for the corresponding period last year.

During the 12 month period ended 30 June 2010 the Company earned approx. $412,000 in revenue compared to $501,000 for the same period last year. This figure included an unrealised gain on its listed share portfolio of $250,000. The unrealised gain was attributed to the Directors upward re-assessment of its 2 million ordinary shares in Meridien Resources Limited, which listed on the National Stock Exchange on 29 October 2009.

The Company's total expenses for the 12 months ended 30 June 2010 amounted to of $402,000 compared to $570,000 for the same period last year. This included an impairment expense of $22,299 made in respect of the loan outstanding from Alma Mining. The reduction in overall costs reflects the Boards continued commitment to reducing the operating costs of the business.

The Company's expenses in the main reflect the costs associated with the management and promotional initiatives related to listing activities associated with Meridien Resources Limited, Peak Minerals and Paniai Gold Limited. The Company has also undertaken considerable evaluation of a number of options to acquire businesses to provide a platform to move its current listing from the NSX to the ASX.

The upcoming listings of Meridien Resources Limited, Paniai Gold Limited and Peak Capital Limited and the possible acquisition and merger of complimentary businesses, ACS Asia Company Limited (Thailand) and Australian Cable Tray System Pty Ltd will afford the Company an excellent opportunity to recover a significant portion of future operating costs.

Projected operating costs for the 12 months commencing 1 July 2010 reflect an even more significant reduction as the Company downsizes its office facilities and employee complement.

REVIEW OF OPERATIONS

During the year, the Company evaluated a number of new business opportunities including the acquisition and merger of ACS Asia (Thailand) and Australian Cable Tray System Pty Ltd. The businesses are complementary and both make and distribute a comprehensive range of flat steel and mesh wire electrical cable support products used in commercial buildings, general infrastructure and mining.

Meridien Capital already holds a 10% interest in ACS Asia and the Board believes this possible acquisition and merger of these two companies will set an ideal platform for achieving an ASX listing in 2011.

Meridien Resources Limited (MRW) was listed on the NSX on 29 October 2009. Meridien Resources holds Exploration Licence 6810 which contains the Lucky Draw Gold Tailings Dam at Burraga, 3 hours west of Sydney. The company has finalised agreements with Jaguar Minerals Limited giving it access to additional gold resources in New South Wales. The Company owns 2,000,000 ordinary shares and 1,000,000 options in Meridien Resources Limited and the Directors have assessed the value of these shares to be $500,000.

MERIDIEN CAPITAL LIMITED

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DIRECTORS' REPORT

The Company has been assisting Meridien Resources Limited in its current efforts to move its current listing from the NSX to the ASX. This initiative is expected to enable Meridien Resources to raise a minimum of $3.0 million of new capital to finance its exploration and mining activities.

Meridien Capital currently holds 7,500,000 ordinary shares and 3,750,000 options in the unlisted public company, Paniai Gold Limited. The original intention of the Company was to list on the National Stock Exchange, however, the Company is now likely to achieve an ASX listing in the last quarter of this calendar year. Paniai Gold is involved in the joint venture development of gold mining tenements in Papua, Indonesia. .

The Company continues to work with Peak Minerals Limited with the objective of listing that company on the National Stock Exchange in the first quarter 2011. Peak Minerals Limited is an investment holding company focused on small to medium cap securities listed on the Hong Kong, Shenzen and Shanghai stock markets.

FINANCIAL POSITION

The net assets of the Company increased from $516,385 as at 30 June 2009 to $641,797 as at 30 June 2010.

The listing of Meridien Resources Limited has resulted in an increase in the net assets of the Company in the 2009-2010 financial year. The projected fee income and earned interests from Meridien Resources Limited, Paniai Gold Limited and Peak Minerals Limited are expected to make major contributions to the Company's income and balance sheet in the 2010-2011 financial year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following are the significant changes in the state of affairs of the Company during the financial year:

- During the financial year, Michael Ivkovic exercised 100,000 options and acquired 100,000 ordinary shares of the company.

- On 1 August 2009 the board of directors approved a placement by the Company of 400,000 Ordinary shares at $0.25 to raise $100,000 of working capital. Subsequently, the Company placed a total of 400,000 Ordinary shares and raised $90,000.

- Meridien Resources Limited was listed on the National Stock Exchange of Australia on 29 October 2009. Meridien Capital owns 2 million ordinary shares and 1 million options in MRW. The listing has enable the Directors to revalue these shares and option upward by $250,000.

DIVIDENDS PAID OR RECOMMENDED

The Directors do not recommend the payment of a dividend at this time. No amount was paid or declared by way of dividend since the commencement of the financial year.

AFTER BALANCE DATE EVENTS

Subsequent to 30 June 2010, the Company has raised a further $20,000 by way of a placement of a further 100,000 Ordinary shares.

FUTURE DEVELOPMENTS & BUSINESS STRATEGIES

The Company will continue to operate as an investment company with a particular focus on assisting small cap companies list on the National Stock Exchange of Australia and the Australian Stock Exchange. It is expected that over time this strategy will result in significant growth of the capital value of the Company's investment portfolio and also generate sustainable dividend income from these investments.

ENVIRONMENTAL ISSUES

The Company's operations are not subject to material environmental regulations under the laws of Commonwealth and State.

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

Kevin R Shirlaw – Chairman (Executive)

Qualifications – Chartered Accountant (FCA, ACIS)
Experience – Appointed Chairman in 2007.Board member since 2006. Kevin has specialised in business recovery and insolvency since 1975. He was a senior partner of Horwath and Horwath from 1985 to 1998.
Interest in Shares & Options – 410,000 ordinary shares in Meridien Capital limited and options to acquire a further 150,000 ordinary shares.
Special Responsibilities – Executive Director
Directorships held in other listed entities during the three years prior to the current year – Nil

INFORMATION ON DIRECTORS – continued

Kevin Good – Director (Non - Executive)

Qualifications – No Formal Qualifications
Experience – Appointed Company secretary 2008.Board member since 2006. Kevin is a past director of the financial services company, AAA Financial Group Limited. Kevin is also a past Director of the publicly listed North Queensland Resources NL and the Canadian, publicly listed Anzex Resources Limited.
Interest in Shares & Options – 97,600 ordinary shares in Meridien Capital limited and options to acquire a further 52,400 ordinary shares.
Special Responsibilities – Company Secretary
Directorships held in other listed entities during the three years prior to the current year - Nil

Michael Ivkovic – Managing Director

Qualifications – Bachelor of Commerce – University of New South Wales
Experience – Appointed Managing Director in 2008.Board member since 2008.Consultant to the Company since 2006. Michael has extensive experience in the structured finance, funds management and investment banking industry in Australia and Asia. Michael was formerly the Chairman of Brick Securities Limited, Executive Chairman of NZI Securities Limited and NZI Investment Services Limited.
Interest in Shares & Options – 1,033,693 ordinary shares in Meridien Capital limited and options to acquire a further 552,000 ordinary shares.
Special Responsibilities – Managing Director
Directorships held in other listed entities during the three years prior to the current year – Nil

DIRECTORS' REPORT

MEETINGS OF DIRECTORS

During the financial year, 10 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' meetings	
	Number attended	Number eligible to attend
Mr Kevin Shirlaw	9	10
Mr. John McColl	2	4
Mr. Kevin Good	10	10
Mr. Michael Ivkovic	6	6

Indemnifying Officers and Auditors

During or since the end of the financial year, the company has given no indemnity or entered into no agreement to indemnify, or paid or agreed to pay insurance premiums.

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 Options
30/9/2008	30/9/2011	$0.50	1,799,000
27/2/2009	27/2/2014	$0.25	42,400

Proceedings on Behalf of the 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:

Consulting services	$10,000

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on Page 15 of the financial report.

REMUNERATION REPORT

Remuneration Policy

The remuneration policy of Meridien Resources 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 Resources 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.

Relationship between Remuneration Policy and Company Performances

At this stage there is no relationship between Remuneration Policy and Company Performances.

Performance Conditions Linked to Remuneration

There is no links between performance conditions and Remuneration.

REMUNERATION REPORT

Employment details of Members of Key Management Personnel and Other Executives

The following table provided employment details of persons who where, during the financial year, members of key management personnel of the company. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

	Position held as at 30 June 2010 and any change during the year	Contract details (duration & termination)	Proportions of elements of remuneration related to performance			Proportion of elements of remuneration not related to performance	
			Non-salary cash-based incentive	Shares/ Units	Options/ Rights	Fixed Salary/ Fees	Total
			%	%	%	%	%
Group Key Management Personnel							
Michael Ivkovic	Managing Director	No fixed term. 3 Month notice required to terminate.	N/A	N/A	N/A	100	100
Kevin Shirlaw	Chairman, Director	No fixed term. 3 Month notice required to terminate.	N/A	N/A	N/A	100	100
Kevin Good	Director	No fixed term. 3 Month notice required to terminate.	N/A	N/A	N/A	100	100

The employment terms and conditions of key management personnel and Group executives are formalised in contracts of employment.

Terms of employment require that the relevant group entity provide an executive contracted person with a minimum of one month notice prior to termination of contract. Termination payments are generally payable in accordance with the statutory requirement. A contracted person deemed employed on a permanent basis may terminate their employment by providing at least one month notice. Termination payments are not payable on resignation or under the circumstances of unsatisfactory performance.

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Chairman, Directors, Chief Executive Officer and Company Secretary. The Board assesses the appropriateness of the nature and amount of emoluments with the objective of ensuring maximum stakeholder benefit from the retention of the Board and Executive.

Remuneration levels for directors and executives of the company are competitively set to attract and retain appropriately qualified and experienced directors and executives

The remuneration structures are designed to attract suitable candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The remuneration structure takes into account:

- The capability and experience of the Directors and senior executives
- The ability of the Directors and senior executives to control the entity’s performance.

There is no performance related remuneration. Remuneration paid to directors cover all broad activities including serving on committees.

REMUNERATION REPORT

Director's Remuneration

		Short-term benefits				**Post-employment benefits**	**Long-term benefits**	**Equity-settled share-based payments**	**Cash-settled share-based payment**	**Termination benefits**	**Total**
		Salary and fees	**Profit share and bonus**	**Non monetary**	**Consulting Fees and Other**			**Options**			
		$	$	$	$	$	$	$	$	$	$
Group Key Management Personnel											
Mr. Kevin Shirlaw	2010	4,000	-	-	-	-	-	-	-	-	4,000
	2009	18,682	-	-	-	-	-	-	35,222	-	53,904
Mr. Kevin Good	2010	-	-	-	-	-	-	-		-	
	2009	9,000	-	-	-	-	-	-	26,417	-	35,417
Mr. Michael Ivkovic	2010	65,919	-	20,000	-	-	-	-	-	-	85,919
	2009	-	-	19,296	72,000	-	-	-	35,222	-	126,518
Mr. John McColl*	2010	-	-	-	-	-	-	-	-	-	
	2009	13,200	-	19,296	-	-	-	-	-	-	
Total Key Management Personnel	2010	69,919		20,000	-	-	-	-	-	-	85,919
	2009	40,882	-	19,296	72,000	-	-	-	96,861	-	229,039
Other Executives											
Mr. David Ivkovic	2010	72,000	-	-	-	-	-	-	-	-	72,000
	2009	6,664	-	-	-	-	-	-	-	-	6,664

* John McColl resigned as the Director on 5/11/2008.

REMUNERATION REPORT - continued

Securities Received that are not Performance Related

No members of key management personnel are entitled to receive securities which are not performance-based as part of their remuneration package.

Cash Bonus, Performance-related Bonuses and Share-based Payments

There were no cash bonus, performance –related bonuses and share – based payments for the year ended 30 June 2010.

REMUNERATION REPORT

Options issued to Directors and Key Executives
There were no options issued to directors and key executives during the financial year 2010.

At the date of this report, the interest of the Directors held directly or indirectly in the securities of Meridien Capital Limited is as follows:

2010

Name	Ordinary Shares
Mr Kevin Shirlaw	410,000
Mr. Kevin Good	97,600
Mr. Michael Ivkovic	1,033,693

2009

Name	Ordinary Shares
Mr Kevin Shirlaw	410,000
Mr. John McColl	50,000
Mr. Kevin Good	97,600
Mr. Michael Ivkovic	1,134,693

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

Michael Ivkovic
Managing Director

Sydney, 30 September 2010

Directors' Declaration

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 17 to 53, are in accordance with the Corporations Act 2001 and:

   a. comply with Accounting Standards; and

   b. give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the company;

2. the Chief Executive Officer and Chief Finance Officer have each declared that:

   (a) the financial records of the company for the financial year have been properly maintained in accordance with s286 of the Corporations Act 2001;

   (b) the financial statements and notes for the financial year comply with Accounting Standards; and

   (c) the financial statements and notes for the financial year give a true and fair view;

3. 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.

This declaration is made in accordance with a resolution of the Board if Directors.

Director ....

Dated this ......30...... day of ......SEPTEMBER......2010

DFK - Richard Hill

CHARTERED ACCOUNTANTS &
BUSINESS ADVISERS

Directors:
RICHARD L.S. HILL
B.Com. F.C.A.
DAVID G. SHARP
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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 2010 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 2010

Address: Level 11,32 Martin Place Sydney 2000

Comprehensive Income Statement
for the financial year ended 30 June 2010

	Notes	2010 $	2009 $
Revenue	2	**162,165**	657,569
Other income	2	**30**	(145,781)
Employee benefits expense		**(146,307)**	284,453
Depreciation expense		**(11,425)**	11,424
Impairment		**(22,299)**	-
Other expenses		**(214,410)**	266,825
Finance costs		**(7,342)**	12,295
Profit/ (Loss) before income tax	3	**(239,588)**	(73,806)
Income tax expense	4	**-**	-
Profit/ (Loss) for the year		**(239,588)**	(73,806)
Other comprehensive income			
Net gain/(loss) on revaluation of financial assets	2	250,000	(10,596)
Other comprehensive income for the year, net of tax		**250,000**	(10,596)
Total comprehensive income for the year		**10,412**	(73,806)
Profit/ (Loss) attributable to members of the company		**10,412**	(73,806)
Basic earnings per share (cents per share)	8	**0.22**	(1.7)
Diluted earnings per share (cents per share)	8	**0.16**	(1.3)

Notes to the financial statements are attached.

Statement of Financial Position
as at 30 June 2010

	Notes	2010 $	2009 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	**11**	43
Trade and other receivables	10	**184,674**	197,676
Other Financial asset	11	**361**	425,298
TOTAL CURRENT ASSETS		**185,046**	623,017
NON-CURRENT ASSETS			
Other Financial asset	11	**682,512**	-
Property, plant and equipment	12	**94,261**	105,685
TOTAL NON-CURRENT ASSETS		**776,773**	105,685
TOTAL ASSETS		**961,819**	728,702
LIAIBLITIES			
CURRENT LIAIBLITIES			
Trade and other payables	13	**243,297**	122,692
Other Financial Liabilities	14	**12,900**	12,900
TOTAL CURRENT LIABILITIES		**256,197**	135,592
NON-CURRENT LIABILITIES			
Other Financial Liabilities	14	**63,825**	76,725
TOTAL NON-CURRENT LIABILITIE		**63,825**	76,725
TOTAL LIABILITIES		**320,022**	212,317
NET ASSETS		**641,797**	516,385
EQUITY			
Issued Capital	15	**861,684**	746,684
Reserves	23	**116,999**	116,999
Accumulated losses		**(336,886)**	(347,298)
TOTAL EQUITY		**641,797**	516,385

Notes to the financial statements are attached

Statement of changes in equity
for the financial year ended 30 June 2010

	Attributable to equity holders			
	Issued capital	**Options Reserves**	**Accumulated losses**	**Total equity**
	$	**$**	**$**	**$**
Balance at 1 July 2008	676,284	764	(273,492)	403,556
Shares issued during the year	70,400	-	-	70,400
Transaction costs	-	-	-	-
Shares cancelled during the year	-	-	-	-
Loss for the period	-	-	(73,806)	(73,806)
Options Reserve	-	116,235	-	116,235
Balance at 30 June 2009	746,684	116,999	(347,298)	516,385
Shares issued during the year	115,000	-	-	115,000
Transaction costs	-	-	-	-
Shares cancelled during the year	-	-	-	-
Profit/ (Loss) for the period	-	-	10,412	10,412
Options Reserve	-	-	-	-
Balance at 30 June 2010	861,684	116,999	(336,886)	641,797

Notes to the financial statements are attached

Statement of cash flows
for the financial year ended 30 June 2010

		2010	2009
		$	$
Cash flows from operating activities			
Receipts from Fee income		136,336	312,614
Receipts from held –for- sale financial asset		-	-
Net cash from trading of held for sale financial instruments		-	43,921.34
Payments to suppliers and employees (inclusive of GST)		(288,887)	(362,982)
Interest received		-	427
Interest paid		(7,342)	(7,295)
Bank Interest Withholding tax		-	(160)
Taxes (paid) received- GST		8,785	-
Net cash inflow from operating activities		(151,108)	(13,475)
Cash flows from investing activities			
Payment for property, plant and equipment		(12,899)	(12,899)
Payment for Investments		-	-
Proceeds from sale of investment		-	-
Net cash (outflow) from investing activities		(12,899)	(12,899)
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		115,000	(29,000)
Proceeds from related party loan		-	19,364
Payment of related party loan		48,974	5,053
Finance lease payments		-	-
Share issue expenses		-	-
Net cash inflow from financing activities		163,974	(4,583)
Net increase in cash and cash equivalents		(33)	(30,957)
Cash at the beginning of the year	9	44	3,1001
Cash at the end of the financial year		11	44

Notes to the financial statements are attached

Notes to the financial statements

This financial report includes the financial statements and notes of Meridien Capital Limited.

NOTE 1: Summary of significant accounting policies

(a) 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.

(b) Going concern

The Company made a small profit for the year after tax of $10,412 (2009: loss $73,806) and a net cash out flow from operating activities of $151,108 (2009: $13,475). As at 30 June 2010 the company had minimal cash reserves to satisfy current debts and future operating costs, which creates an inherent uncertainty in relation to going concern. Under the requirements of the Australian Accounting Standards, the directors have reviewed whether the entity can continue as a going concern by assessing its ability to realise its assets and settle liabilities in the normal course of business and for at least the amounts stated.

The directors concluded it appropriate that the finance report be prepared on a going concern basis because:

1) The Company is in the process of raising a total of $60,000 by way of placements @ $0.20 cents and conversion of employee options at $0.25cents. To date $20,000 has been received and directors are confident that the remaining $40,000 will be placed and funds received by end of November 2010.
2) The directors are confident that outstanding amounts totalling $112,000 from Sydlyn Pty Limited and Sydfin Holdings Pty Limited will be repaid before 31 December 2010.
3) Actions have been implemented to reduce overall operating costs including a downsizing in office facilities and the management team. In addition a significant proportion of costs in the future will be recovered from Meridien Resources Limited, Paniai Gold Limited and Peak Capital Limited in the form of rent and administrative costs.

Notes to the financial statements

NOTE 1: Summary of significant accounting policies continued

(c) **Income tax**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. 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 assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Notes to the financial statements

NOTE 1: Summary of significant accounting policies continued

(d) **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.

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.

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.

The depreciation rates used for each class of depreciable assets are

Class of Fixed Asset	Depreciation Rate
Plant and equipment	5-33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

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

Notes to the financial statements

NOTE 1: Summary of significant accounting policies continued

(e) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(f) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sales of the assets (ie Trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expenses to profit or loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In order circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

a. the amount at which the financial asset or financial liability is measured at initial recognition
b. less principal repayments
c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
d. less any reduction for impairment

The effective interest method is used to allocate interest income or interest expenses over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payment or receipts (including fees, transaction costs, and other premiums or discounts) through the expected life (or then this can not be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability.

Notes to the financial statements

NOTE 1: Summary of significant accounting policies continued

Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expenses in profit or loss.

i. Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are 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. Such assets are subsequently measured at fair value with changes in fair value are included in profit or loss.

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.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

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.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.(All other investments are classified as current assets.)

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

Notes to the financial statements

NOTE 1: Summary of significant accounting policies continued

v. Financial Liabilities

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

(g) **Leased assets**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are 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 of the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the life of the lease term.

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

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are 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 where it is likely that The Company will obtain ownership of the asset or over the term of the lease.

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

Notes to the financial statements

NOTE 1: Summary of significant accounting policies continued

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 their estimated useful lives.

(h) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(i) Investment in Associates

Associate companies are companies in which the entity has significant influence through holding, directly or indirectly, 20% or more of the voting power of the company. Investments in associates are accounted for in the financial statements by applying the equity method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the entity's share is included in the entity's profit or loss. The carrying amount of the investment includes goodwill relating to the associate. Any excess of the entity's share of the net fair value of the associates indentifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the investor's share of the associate's profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the entity and the associate are eliminated to the extent of the relation to the entity's investment in the associate.

When the entity's share of losses in an associate equals or exceeds its interest in the associate. The entity discontinues recognizing its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the entity will resume the recognisation of its share of those profits once its share of the profits equals the share of the losses not recognised.

Notes to the financial statements

NOTE 1: Summary of significant accounting policies continued

(j) Functional and presentation currency

The functional currency of each of the entity is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars which is the entity's functional and presentation currency.

(k) **Transaction and balances** Foreign currency Transactions and balances

Functional and presentation currency

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values where determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of the comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the statement of comprehensive income.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Cash and cash equivalents

Cash and cash equivalents include cash on had, 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 statement of financial position.

(n) Critical account estimates and judgements

The directors evaluate estimates an judgements 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 date, obtained both externally and within the entity.

Notes to the financial statements

NOTE 1: Summary of significant accounting policies continued

Key estimates

(i) Impairment

The entity assesses impairment at the end of each reporting period by evaluating conditions and events specific to the entity that may be indicative of impairment triggers. Recoverable amount of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

An impairment for the amount of $22,299 has been recognised in respect of a loan to a shareholder at the end of the reporting period.
No further impairment has been recognised in respect of other for the financial year.

(o) 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

(p) 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.

Equity-settled compensation
The company operates equity settled share-based payment employee share and option schemes. The fair values of the equity to which employee become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for service as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(q) 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.

Notes to the financial statements

NOTE 1: Summary of significant accounting policies continued

(r) Revenue and Other Income

Revenue is measured at fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can easily be measured.

Interest revenue is recognised as received.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.
All revenue is stated net of the amount of goods and services tax (GST).

(s) 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 expensed in the period in which they are incurred.

(t) 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.

(u) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled.

Notes to the financial statements

NOTE 1: Summary of significant accounting policies continued

No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(v) Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(w) New accounting standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

- AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

  These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Group has not yet determined the potential impact on the financial statements.

  The changes made to accounting requirements include:

  - simplifying the classifications of financial assets into those carded at amortised cost and those carried at fair value;
  - simplifying the requirements for embedded derivatives;
  - removing the tainting rules associated with held-to-maturity assets;
  - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
  - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and

Notes to the financial statements

NOTE 1: Summary of significant accounting policies continued

-
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
  a) the objective of the entity's business model for managing the financial assets; and
  b) the characteristics of the contractual cash flows.

- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1January 2011).

  This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Group.

- AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 161 (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 1391 (applicable for annual reporting periods commencing from 1 January 2010).

  These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.

- AASB 2009-8: Amendments to Australian Accounting Standards - Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

  These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Group.

- AASB 2009-9: Amendments to Australian Accounting Standards - Additional Exemptions for First-time Adopters (AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

  These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the Group.

Notes to the financial statements

NOTE 1: Summary of significant accounting policies continued

- AASB 2009-10: Amendments to Australian Accounting Standards - Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

  These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Group.

- AASB 2009-12: Amendments to Australian Accounting Standards IAASBs 5, 8, 108, 110, 112, 119, 133,137,139,1023 & 1031 and Interpretations 2, 4, 16, 1039 & 10521 (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Group.

- AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 {AASB 11 (applicable for annual reporting periods commencing on or after 1 July 2010).

  This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Group.

- AASB 2009-14: Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement (AASB Interpretation 14] (applicable for annual reporting periods commencing on or after January 2011).

  This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

- AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).

  This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situation where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Group.

The Group dose not anticipates the early adoption of any of the above Australian Accounting Standards.

Notes to the financial statements

NOTE 2: REVENUE AND OTHER INCOME	Note	2010 $	2009 $
Revenue			
Sales revenue			
- Provision of Services		146,587	643,124
		146,587	643,124
Other revenue			
- Interest received	2a	15,579	14,445
Total Revenue		162,165	657,569
Other Income			
Net gains on financial assets at fair value through profit or loss:			
- Held for trading		-	(145,781)
Other comprehensive income			
Net Gain/ (losses) on financial assets at fair value through profit or loss:		-	-
- Gain/ (Loss) on revaluation on investments(listed shares)	2b	250,000	(10,596)
a. Interest revenue from:			
- Other related parties (Wine Block)		15,579	-
- Other persons		-	14,445
Total interest revenue on financial assets not at fair value through profit or loss		15,579	14,445

b. The gain was the result of Director's revaluation of 2 million Meridien Resource shares that the company owns. Please refer to Note 1.

Notes to the financial statements

NOTE 3: PROFIT FOR THE YEAR	2010 $	2009 $
Significant Revenue and Expenses		
The following significant revenue and expense items are relevant in explaining the financial performance:		
Rental expense	97,218	78,084
Foreign currency transaction losses	2,032	10,130
	99,250	88,214

NOTE 4: INCOME TAX EXPENSE	2010 $	2009 $
The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax benefit on profit from ordinary activities before income tax at 30%	3,124	(22,142)
Add:		
Tax effect of:		
- Accrual Expenditures	11,860	23,479
- Non-deductible depreciation and amortization	3,427	3,178
- Unrealised Loss (Gain) on Investments	-	-
- Other non-allowance items	2,085	-
	20,496	4,515
Less:		
Tax effect of:		
- capital profits not subject to income tax	75,000	-
- Accrual Expenditures	15,510	8,951
- Capital raising costs deductible	8,700	8,700
- Other non-allowance items	-	1,421
- Non-deductible depreciation and amortization	-	3,427
	(78,714)	(17,984)
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	78,714	17,984
Deferred tax asset in respect of tax losses not brought to account	(78,714)	(17,984)
Income tax attributable to operating loss	-	-
Total income tax losses for which no deferred tax asset has been recognised	557,015	294,635

Notes to the financial statements

NOTE 5. INTERESTS OF KEY MANAGEMENT PERSONNEL (KMP)

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the company's key management personnel for the year ended 30 June 2010.

The totals of remuneration paid to KMP of the company during the year are as follows:

	2010 $	2009 $
Short–term employee benefits	89,919	132,178
Post-employment benefits	-	-
Share-based payments	-	96,861
	89,919	229,039

KMP Options and Rights Holdings

Number of Options Held by Key Management Personnel

30 June 2010	Balance at the beginning of year	Exercised during the year	Balance at end of year	Vested during the year	Vested and exercisable
Mr. Kevin Shirlaw	150,000	-	150,000	150,000	150,000
Mr. Kevin Good	52,400	-	52,400	52,400	52,400
Mr. Michael Ivkovic	652,000	100,000	552,000	552,000	552,000
	854,400	100,000	754,400	754,400	754,400

30 June 2009	Balance at the beginning of year	Exercised during the year	Balance at end of year	Vested during the year	Vested and exercisable
Mr. Kevin Shirlaw	150,000	-	150,000	150,000	150,000
Mr. John McColl	25,000	-	25,000	25,000	25,000
Mr. Kevin Good	52,400	-	52,400	52,400	52,400
Mr. Michael Ivkovic	652,000	-	552,000	552,000	552,000
	879,400	-	879,400	879,400	879,400

Notes to the financial statements

NOTE 5. INTERESTS OF KEY MANAGEMENT PERSONNEL (KMP) - continued

Number of Shares held by Key Management Personnel

30 June 2010	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
Mr. Kevin Shirlaw	410,000	-		-	410,000
Mr. Kevin Good	97,600	-		-	97,600
Mr. Michael Ivkovic	1,134,693	-	100,000	(201,000)	1,033,693
Total	1,642,293	-	100,000	(201,000)	1,541,293

30 June 2009	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
Mr. Kevin Shirlaw	310,000	-	100,000	-	410,000
Mr. John McColl	50,000	-	-	-	50,000
Mr. Kevin Good	50,000	-	47,600	-	97,600
Mr. Michael Ivkovic	1,100,000	-	-	-	1,134,693
Total	1,510,000	-	147,600	-	1,692,293

Other KMP Transactions

There have been no other KMP transactions.

Notes to the financial statements

NOTE 6 – 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 Managing Director of the Company. During the year he was provided with the use of a company motor vehicle, the cost of which was a total of $20,168.88 during the reporting period.

Loans to Sydlyn Pty Ltd (Wine Bloc) and Sydfin Holdings Pty Ltd. 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.

Other Related Entities

Meridien Resources Limited

Meridien Capital Limited has provided advisory and administrative services to Meridien Resources Limited in relation to the company's prospective listing on the National Stock Exchange. During the year the Company was paid $74,000 in fees for these services. During the same period, Meridien Capital Limited has provided office space to Meridien Resources Limited at a cost of $2,200 (Inclusive of GST) per month.

Mr Kevin J Good and Mr Kevin R Shirlaw were appointed to the position of Director of Meridien Resources Limited on 23 June 2008

NOTE 7: AUDITORS' REMUNERATION	Note	2010	2009
		$	$
Remuneration of the auditor of the entity for:			
- auditing or reviewing the financial report		18,000	16,500

Notes to the financial statements

NOTE 8: EARNINGS PER SHARE

	Note	2010 $	2009 $
a. Reconciliation of earnings to profit and loss			
Gain / (Loss)		10,412	(73,806)
Gain / (Loss) used to calculate basic EPS		10,412	(73,806)
Gain / (Loss) used in the calculation of dilutive EPS		10,412	(73,806)
		No.	No.
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS		4,899,400	4,247,362
Weighted average number of options outstanding		1,799,000	1,276,643
Weighted average number of converting preference shares on issue		-	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS		6,698,400	5,524,005

NOTE 9: CASH AND CASH EQUIVALENTS

	Note	2010 $	2009 $
Cash at bank and in hand		11	43
		11	43

Reconciliation of cash

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

	2010	2009
Cash and cash equivalents	11	43

Notes to the financial statements

NOTE 10: TRADE AND OTHER RECEIVABLES	Note	2010	2009
		$	$
CURRENT			
Other receivables		65,818	34,394
Rental bond receivables		6,000	13,800
Amounts receivable from:			
- Accrued Fees		-	3,924
- Other related parties (unsecured)	10.a	112,856	143,235
- Key Management Personnel	10.b	-	2,322
		184,674	183,071

a) Unsecured receivables to other related parties include:

i) Wine Bloc Pty Limited (Wine Bloc)

Wine Bloc was established in 2006 to facilitate the joint venture redevelopment of Pentridge Prison in Melbourne.

Sydlyn Pty Ltd (as trustee for the Ivkovic Family Trust) has a substantial interest in Wine Bloc. Michael Ivkovic is a beneficiary of this trust.

In 2007 the Company made a loan available to Sydlyn Pty Ltd to facilitate its investment in Wine Bloc.

Sydlyn Pty Ltd was indebted to the Company for an amount of $129,000 as at 31 December 2009 and repayments since that time have reduced the balance to $90,801 as at 30 June 2010. Since that date, a further $13,200 in payments have been made reducing the balance owing to $77,600 as at 31 August 2010.

On 10 September 2010, the Company entered into a formal loan agreement with Sydlyn to extend the repayment date. This agreement required Sydlyn to repay the balance in instalments of $6,600 per month until the loan is repaid in full.

Notwithstanding this arrangement, Sydlyn expects that Wine Bloc and its underlying assets will be sold to a third party syndicate of investors during the last quarter of calendar year 2010 facilitating full repayment of the loan on or before 31 December 2010.

ii) Sydfin Holdings Pty Limited

Sydfin 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.

Meridien Capital had extended a loan of $17,500 to Sydfin Holdings Pty Limited to facilitate part of the $70,000 option fee paid to the vendor in 2008. It was originally intended that this property would become the first asset of a new REIT to be listed on the NSX.

Notes to the financial statements

NOTE 10: TRADE AND OTHER RECEIVABLES – continued

The advance was originally repayable on 30 June 2009. This date was based on the expectation that Development Approval for this site from the Taree Council would have been available within a reasonable time frame. On 10 September 2010, the Company approved an extension of the repayment of the outstanding balance of $21,250, together with a $7,500 facility fee until 31 December 2010.

The extension was granted on the basis that Sydfin Holdings Pty Limited is in negotiation to sell its interest in the option to one of the other existing partners in this project.

iii) Netley Coal/Alma Energy (Darrell Williams)

In 2007, the Company advanced US$40,000 to Netley Coal and in return Meridien was entitled to full repayment of all funds, interest and an ongoing share of coal royalties from the Netley Mine in Kentucky.

Repayment of US$19,363.61 was received on 2 July 2008 and despite numerous recovery efforts and promised repayment schedules, no further monies have been received since that time.
On 13 April 2010, following legal advice, the Directors of the Company resolved that the full amount outstanding be written off as the cost of more management time and legal fees were prohibitive.

b) Key Management Personnel Loans

	Balance at Beginning of Year	Balance at End of Year	Interest Charged	Provision for Impairment	Number of Individuals
Key Management Personnel					
2009	-	2,322	-	-	1

Notes to the financial statements

NOTE 10: TRADE AND OTHER RECEIVABLES – continued

Credit Risk – Trade and Other Receivables

The entity has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within this note. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the entity.

The following table details the entity's trade and other receivable exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled, with the terms and conditions agreed between the entity and party owing the money.

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31-60	61-90	>90	
	$	$	$	$	$	$	$
2010							
Other receivables	184,674	-	-	-	-	-	-
	184,674	-	-	-	-	-	-
2009							
Other receivables	183,071	-	-	-	-	-	-
Total	183,071	-	-	-	-	-	-

d) Collateral pledged

All Other Receivables outstanding as at 30 June 2010 are unsecured. Refer to Note 10a for further details.

Notes to the financial statements

NOTE 11: Other Financial Assets	Note	2010	2009
CURRENT		$	$
Available-for-sale Financial Assets	11a	361	425,298
NON-CURRENT			
Available-for-sale financial assets	11b	682,512	-

a. **Available-for-sale Financial Assets Comprise**

Listed investments, at fair value			
- option subscribed		600	600
Unlisted investments, at cost			
- shares in other related parties	11c	(239)	424,698
Total Available-for-sale Financial assets		361	425,298

Shares held for trading are traded for the purpose of short-term profit taking.

b. **Available-for-sale Financial Assets Comprise**

Unlisted investments, at cost			
- shares in other related parties	11c	682,512	-
Total Available-for-sale Financial assets		682,512	-

c. **Shares/Options in other related parties**

i. Listed

Meridien Resources Pty Ltd (NSX listed)

Principal activity is investment holding company with the predominant focus on investments in the securities of publicly listed "small cap" mining and resources companies.
Meridien Capital Limited has provided advisory and administrative services to Meridien Resources in relation to the company's prospective listing on the NSX.

	2010	2009
- Shares investment at fair value	500,000	250,000
- Options investment at fair value	43,859	43,859

ii. Unlisted

Gold Crest Holding Ltd (HK)

Principal activity is investment in ACS Thailand.
Meridien Capital Limited has a 10% interest in Gold Crest Holding Ltd (HK)

	2010	2009
Investment at fair value	131,078	131,078

Notes to the financial statements

NOTE 11: Other Financial Assets - continued

	2010	2009
	$	$
Paniai Gold Limited		
Principal activity is Exploration of gold.		
Meridien Capital Limited has a 10% interest in Paniai Gold Limited		
- Shares investment at fair value	7,500	-
- Options investment at fair value	75	-

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	Note	2010	2009
		$	$
Motor Vehicle:			
At cost		117,673	117,673
Accumulated depreciation		(23,412)	(11,988)
Total Motor Vehicle		94,261	105,685

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Motor Vehicle	Total
CARRYING AMOUNT AT 1 JULY 2008	117,110	117,110
Additions		-
Depreciation expenses	11,425	11,425
Carrying amount at 30 June 2009	105,685	105,685
Additions	-	-
Depreciation expenses	11,424	11,424
Carrying amount at 30 June 2010	94,261	94,261

NOTE 13. TRADE AND OTHER PAYABLES

	Note	2010	2009
		$	$
CURRENT			
Sundry payables and accrued expenses		210,515	122,692
Amounts payable to			
- Other related parties – Meridien Resources Ltd		32,782	
		243,297	122,692

Notes to the financial statements

NOTE 14. OTHER FINANCIAL LIABILITIES

	Note	2010	2009
		$	$
CURRENT			
Lease liability		12,900	12,900
NON-CURRENT			
Lease liability		63,825	76,725
		76,725	89,625

NOTE 15. ISSUED CAPITAL

	2010	2009
	$	$
4,899,400(2009: 4,399,400) fully paid ordinary shares	859,011	746,684

	No.	No.
a. Ordinary shares		
At the beginning of reporting period	4,399,400	4,179,800
shares issued during the year		
- 15 July 2009	70,000	-
- 5 August 2009	100,000	-
- 7 August 2009	60,000	-
- 6 October 2009	30,000	-
- 24 December 2009	40,000	-
- 30 June 2010	200,000	-
At reporting date	4,899,400	4,399,400

Note 16: CONTIGENT LIABILITIES OR ASSETS

There was no contingent or undetermined and unrecorded obligations of a material amount for which provision has not been made in the financial report or noted thereon. There was no contingent assets of a material amount for which has not been recorded in the financial report or notes either.

Notes to the financial statements

Note 17: SHARE BASED PAYMENTS

There has been no share based payments during the financial year ended 30 June 2010:

During the year ended 30 June 2009, 300,000 $0.25 options expiring 27/2/2014 were allotted to Key Management Personnel of the Company. The allotment was permitted under the one of the conditions in the Prospectus of the Company. The options hold no voting or dividend rights and are not transferable.

All options granted to key management personnel are ordinary shares in Meridien Capital Ltd, which confer a right of one ordinary share for every option hold.

	Number	**Weighted average exercise price**
Options outstanding as at 30 June 2008	-	-
Granted	300,000	0.25
Forfeited	-	-
Exercised	157,600	0.25
Expired	-	-
Options outstanding as at 30 June 2009	142,400	0.25
Options exercisable as at 30 June 2009	142,400	0.25
Granted	-	-
Forfeited	-	-
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2010	142,400	0.25

Note 18: CAPITAL AND LEASING COMMITMENTS

The Company has a hire purchase commitment for a motor vehicle. As at 30 June 2010, the balance to pay is $90,657. This has been included in Note 15.

Notes to the financial statements

NOTE 19: CASH FLOW INFORMATION	2010 $	2009 $
a. Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Profit/(Loss) from ordinary activities after income tax	10,412	(73,807)
Non-cash flows in profit from ordinary activities		
Impairment	-	-
Foreign Exchange Loss	-	10,130
Unrealised loss	-	-
Director Fees Paid by Equity	-	116,235
Depreciation	11,425	11,424
Fee income paid by shares	-	-
Interest expense paid by equity	-	5,000
Cost of share sold	-	-
	21,837	68,982
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in debtors	23,880	(37,942)
(Increase)/decrease in held for sell financial assets	(257,575)	(202,946)
(Increase)/decrease in income tax paid	-	-
(Increase)/decrease in other assets	-	-
(Increase/(decrease) in trade creditors and accruals	60,750	76,866
Increase/(decrease) in HP liability	-	-
Increase in share capital	-	69,400
Others	-	12,163
Cash flow from operations	(151,108)	(13,475)

NOTE 20: OPERATING SEGMENTS

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

NOTE 21: EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to 30 June 2010, the Company has raised a further $20,000 by way of a placement of a further 100,000 Ordinary shares.

Notes to the financial statements

NOTE 22. Financial risk Management

	Note	2010 Net Carrying Value	2010 Net Fair Value	2009 Net Carrying Value	2009 Net Fair Value
Financial assets		$	$	$	$
Cash and cash equivalents	9	11	11	43	43
Trade and other receivables	10	184674	184674	197676	197676
Available-for-sale financial assets – at fair value					
-listed investments	11	600	600	600	600
-unlisted investments	11	682,273	682,273	424,698	424,698
Total financial assets		867,558	867,558	425,298	425,298
Financial liabilities					
Trade and other payable	14	243,297	243,297	122,692	122,692
Hire Purchase		12,900	12,900	12,900	12,900
Total financial liabilities		243,297	243,297	135,592	135,592

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.

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.

Specific 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.

Notes to the financial statements

NOTE 22. Financial risk Management – continued

a. 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 2010.

b. 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.

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.

Notes to the financial statements

NOTE 22. Financial risk Management – continued

2010	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	VARIABLE INTEREST RATE $	FIXED MATURITY DATES LESS THAN 1 YEAR $	1-2 YEARS $	2-3 YEARS $	3-5 YEARS $	NON INTEREST BEARING $	TOTAL $
Financial assets								
Cash and cash equivalents		**11**						**11**
Trade and other receivables							**184,674**	**184,674**
Other financial assets							**682,873**	**682,873**
		11					**867,547**	**867,558**
Financial liabilities								
Trade and other payables							**243,297**	**243,297**
Lease liabilities	**9.29**		12,900	12,900	12,900	38,025		**76,725**
			12,900	12,900	12,900	38,025		**320,022**

2009	WEIGHTED AVERAGE EFFECTIV E INTEREST RATE %	VARIABLE INTEREST RATE $	FIXED MATURITY DATES LESS THAN 1 YEAR $	1-2 YEARS $	2-3 YEARS $	3-5 YEARS $	NON INTEREST BEARING $	TOTAL $
Financial assets								
Cash and cash equivalents	**-**	**43**	**-**	**-**	**-**	**-**	**-**	**43**
Trade and other receivables	-	**-**	**-**	**-**	**-**	**-**	**183,071**	**183,071**
Other financial assets		**-**	**-**	**-**	**-**	**-**	**439,903**	**439,903**
	-	**43**	**-**	**-**	**-**	**-**	**622,974**	**623,017**
Financial liabilities								
Trade and other payables		**-**	-	-	-	-	**122,692**	**122,692**
Lease liabilities	**9.29**	**-**	12,900	12,900	12,900	50,925	**-**	**89,625**
		-	12,900	12,900	12,900	50,925	**122,692**	**212,317**

Notes to the financial statements

NOTE 22. Financial risk Management – continued

c. Market Risk

i. Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 30 June 2010 the only debt that is exposed to interest rate risk is the Lease Liabilities of which the interest is fixed at 9.29%.

ii. 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.

iii. Price risk

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

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. No material effect has been identified through this analysis.

Notes to the financial statements

NOTE 22. Financial risk Management – continued

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 services price risk.

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 (2009: net fair value).

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

		2010		**2009**	
	Foot note	Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
Financial assets		$	$	$	$
Cash and cash equivalents	(i)	11	11	43	43
Trade and other receivables	(i)	184,674	184,674	197,676	197,676
Available-for-sale financial assets – at fair value					
-listed investments	(ii)	600	600	600	600
-unlisted investments		682,273	682,273	424,698	424,698
Total financial assets		867,558	867,558	425,298	425,298
Financial liabilities					
Trade and other payable	(i)	243,297	243,297	122,692	122,692
Hire Purchase		12,900	12,900	12,900	12,900
Total financial liabilities		243,297	243,297	135,592	135,592

Notes to the financial statements

NOTE 22. Financial risk Management – continued

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value.

(ii) In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) of indirectly (derived from prices). The directors have determined that the fair values of the available-for-sale financial assets carried at cost and at recoverable amount cannot be reliably measured as variability in the range of reasonable fair value estimates is significant. Consequently, such assets are recognised at cost and their fair values have also been stated at cost in the table above. There is no active market for these investments, and there is no present intention to dispose of such investments.

NOTE 23. RESERVES

General Reserve

The option reserve records items recognised as expenses on valuation of employee share options.

DFK - Richard Hill

CHARTERED ACCOUNTANTS &
BUSINESS ADVISERS

Directors:
RICHARD L.S. HILL
B.Com. F.C.A.
DAVID G. SHARP
B.Com. A.C.A.

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MERIDIEN CAPITAL LIMITED ABN 15 121 348 730

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 (the company) which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration at the year's end or from time to time during the financial year.

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.

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.

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.

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

Directors:
RICHARD L.S. HILL
B.Com. F.C.A.
DAVID G. SHARP
B.Com. A.C.A.

DFK - Richard Hill

CHARTERED ACCOUNTANTS &
BUSINESS ADVISERS

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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 June 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.

Emphasis of Matters

Without qualifying our conclusion, we draw attention to the following matters. As described in Note 1 to the financial report, the company and consolidated entity have very limited revenue during the financial year and has insufficient fund to meet the financial liabilities due within the next 12 months. The board of directors believe that the company has the ability to raise further funds from shareholders/investors and should recover the $112,000 receivables from the Directors related entities in the next 6 months. We draw attention that the company is dependent on the successful negotiation of further funding and the ability to recover the debt mentioned above to provide sufficient funds as required until operations are cash positive.

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 financial position as at 30 June 2010 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;

Report on the Remuneration Report

We have audited the Remuneration Report included in the report of the directors for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with s 300A of the *Corporation Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Meridien Capital Limited for the year ended 30 June 2010, complies with s 300A of the *Corporation Act 2001*.

DFK - Richard Hill

CHARTERED ACCOUNTANTS &
BUSINESS ADVISERS

Directors:
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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 2010

Additional NSX information

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

1. Shareholdings at 29 September 2010

(a) Substantial shareholders

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

	Ordinary shares	%
SYDLYN PTY LTD <IVKOVIC FAMILY SUPER FUND>	960,000	19.594
FAIRCHOICE LIMITED	500,000	10.205

(b) Distribution of shareholder's holdings as at 29 September 2010 is:

Holdings Ranges	Holders	Total Units	%
1-1,000	0	0	0.000
1,001-5,000	66	270,263	5.516
5,001-10,000	46	366,759	7.486
10,001-100,000	69	1,834,378	37.441
100,001-99,999,999,999	9	2,428,000	49.557
Totals	**190**	**4,899,400**	**100.000**

(c) 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.

(d) 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.

Additional NSX information

(e) Top twenty shareholders as at **29-09-2010**

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 29 September 2010 are as follows:

Top 20 Holdings as at 30-09-2010

Holder Name	Balance at 29-09-2010	%
SYDLYN PTY LTD <IVKOVIC FAMILY A/C>	1,100,000	19.594
FAIRCHOICE LIMITED	500,000	10.205
FINLAY (AUST) PTY LTD <SHIRLAW FAMILY A/C>	250,000	5.103
MR KEVIN SHIRLAW	150,000	3.062
MR JOHN LESLIE MACFARLANE & MRS CATHERINE HILDA MACFARLANE <AUST PACIFIC INV P/L S/F A/C>	122,000	2.490
LYNPLAN PTY LTD <LANDER FAMILY A/C>	117,000	2.388
OPTEX EXCHANGE PTY LIMITED <DAVID SUTTON SUPER FUND A/C>	110,000	2.347
CALIBRATE AUSTRALIA PTY LTD <CALIBRATE STAFF S/F A/C>	104,000	2.245
TRIPLE Z HOLDINGS PTY LTD <THE ROBINSON FAMILY S/F A/C>	97,600	2.123
MR DONALD BRETT MCLENNAN	80,000	2.041
MR KEVIN GOOD	70,000	1.992
SUPER 1136 PTY LTD	64,000	1.735
MR STEPHEN JAMES WHITE	60,000	1.633
COLLINS STREET SECURITIES PTY LTD	60,000	1.306
MR WILLIAM JOSEPH CLANCY & MRS CATHERINE MARY CLANCY <THE CLANCY SUPER FUND A/C>	50,000	1.225
BIGSON PTY LTD <MIKE GIBSON SUPER A/C>	50,000	1.225
MR WILLIAM JOSEPH CLANCY & MRS CATHERINE MARY CLANCY <THE CLANCY SUPER FUND A/C>	50,000	1.021
MR ANDREW KENNETH BRUCE MORTIMER	50,000	1.021
MARLEY HOLDINGS PTY LTD	50,000	1.021
ROBERT BOSCARATO PTY LTD <R&K BOSCARATO S/F A/C>	50,000	1.021
	3,174,600	64,857

2. The address of the principal registered office in Australia is level 29, Chifley Tower, 2 Chifley Square, Sydney NSW 2000. Telephone 9220 3581.

3. 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.