Newland Resources Ltd

ABN 13 009 092 068

Annual Financial Statements 2009

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Newland Resources Ltd (ACN 009 092 068) and the entities it controlled at the end of, or during, the year ended 30 June 2009.

DIRECTORS

The following persons were Directors of Newland Resources Ltd during the whole year and up to the date of this report:

L A Colless - Chairman and Chief Financial Officer
C A R West - Executive Director - investor relations and business development
K L Ashworth - non-executive director
P L Munachen - non-executive director

PRINCIPAL ACTIVITIES

The principal activities of the economic entity during the course of the financial year were the conduct of projects in financial services and mineral resources. Other than the dismantling of the London-based operations as noted below, there has been no significant change in the nature of these activities during the financial year.

RESULTS

The consolidated loss of the economic entity attributable to the shareholders of the holding company for the financial year after abnormal items and income tax was $ 17,378,112 (2008 loss $5,316,709).

DIVIDENDS

No dividends have been paid by the Company during the financial year ended 30 June 2009, nor have the Directors recommended that any dividends be paid.

REVIEW OF OPERATIONS

During the year, and as a direct result of the Global Financial Crisis, it was decided to dismantle the London-based financial services operations of the Group. Consequently the Group's stockbroking arm was closed down and the sale of the funds management business was arranged. The Company continued to liquidate, where possible, its portfolio investments in the global resources sector and is continuing to seek further opportunities in mineral projects in the resources and other global emerging markets.

Given the uncertainties of current market conditions and the illiquid nature of the market for the majority of the Company's investments, the Directors consider it prudent to fully impair these investments for accounting purposes. An amount of $10,386,282 was recognised as impairment of investments in the consolidated accounts. Any profit or loss realised when the investments mature or are disposed will be brought to account at that time.

A more detailed review of operations for the financial year, together with future prospects is fully explained in the Management Review of the Annual Report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Compass Capital Capital Assets Limited, a dormant subsidiary of the Newland Resources Ltd was deregistered during the year and two other group subsidiaries in the United Kingdom namely Resources Services Limited and Newland Stockbrokers Limited were placed in voluntary liquidation. Other than this, the state of affairs of the Company was not affected by any significant changes during the year.

EVENTS SUBSEQUENT TO BALANCE DATE

In September 2009, the Company completed a fully underwritten renounceable pro rata entitlements issue. A total of 188,977,571 shares were issued at 1 cent each to raise $1,889,775 to carry out further evaluation and working capital.

Subsequent to the end of the financial year the sale of group entity Newland Fund Management LLP was completed and on 20 August 2009, Newland Financial Group Limited, a subsidiary of Newland Resources Ltd went into voluntary liquidation.

No other matters or circumstances, not otherwise dealt with in the financial statements, have arisen since the end of the financial year and to the date of this report which significantly affected or may significantly affect the operations of the economic entity, the results of the economic entity, or the state of affairs of the economic entity in the financial years subsequent to the financial year ended 30 June 2009.

LIKELY DEVELOPMENTS

The Company intends to continue development of its current businesses, to develop new businesses, and to seek other areas of investment in resources and other industries. Further information on likely developments in the operations of the Company and expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

DIRECTORS' REPORT (Continued)

PARTICULARS OF DIRECTORS

Lindsay Arthur Colless, ACA, FAICD.

Mr Colless, 64, is a Chartered Accountant with 15 years experience in the profession and a further 30 years experience in commerce, most of which has been in the mineral and petroleum exploration industries in the capacities of financial controller, company secretary and director. He is a director and/or secretary of a number of public listed companies: chairman of Austral Africa Resources Limited (since December 2006) and company secretary of Alkane Resources Ltd group.

Former directorships held in the last three years are: Alkane Resources Ltd (August 1986 to July 2007), Atom Energy Limited (April 2007 to April 2008), West Australian Metals Ltd group (October 1986 to August 2005), and alternate director for Pancontinental Oil & Gas NL (from April 1992 to May 2007).

Mr Colless is the Finance Director of the Company as well as CFO and Chairman.

Peter Lawson Munachen, FCA, FAICD.

Mr Munachen, 63, is a Chartered Accountant and former partner in an international accounting practice. He has had considerable experience in the resources industry and is a director of a number of public listed companies, including Pancontinental Oil & Gas NL (since 1991), Sub-Sahara Resources Ltd (since 2004), Norwest Energy Ltd (since 2003) and Dragon Mining Ltd (since 2005 and alternate from 2003 to 2005). He is also a director of Currie Rose Inc. (since 2005), a Canadian TSX Venture Exchange company.

Mr Munachen is a non-executive director of the Company and is Chairman of the audit committee.

Kevan Lynton Ashworth, PhD, DIC, MIMM.

Dr Ashworth, 72, is a consultant geologist based in the UK. He has worked throughout Europe, in the Middle East, Malaysia, Australia and Latin America on a wide variety of mineral exploration and development projects for major companies and government organisations. He has been a director of Sino-Asia Mining & Resources since July 2005, Norwest Holdings (UK) Pty Ltd and NWE Southern Cross (UK) Pty Ltd (both since January 2007); these are all UK companies.

Dr Ashworth is a non-executive technical director of the Company.

Christian Adam Riggall West

Mr West, 33, joined Elysian Fund Management in March 1998 as an investment assistant at the launch of the Elysian Global Hedge Fund at the End of 1998. In 1999 he was promoted to Fund and co-managed the fund and acted as head trader until 2001 delivering cumulative returns of over 70%. In 2002 he joined Sagitta Asset Management where he ran the Aegis European long/short equity fund to December 2004.

He is currently the Business Development Officer of Newland Resources Ltd and an executive director of the board.

SECRETARY

Karen Elizabeth Vere Brown, BEc (Hons).

Miss Brown, 49, is an Honours Degree graduate in economics from the University of Western Australia and has had more than 20 years experience in the administration of public companies, primarily in the resources sector.

DIRECTORS' MEETINGS

The following table sets out the numbers of meetings of the Company's directors held during the year ended 30 June 2008, and the number of meetings attended by each director.

There were six (6) Board Meetings, NIL (0) Audit, one (1) Nomination and one (1) Remuneration Committee Meeting held during the financial year.

The number of meetings attended by each director during the year is as follows:

	Board meetings		Nomination Committee		Remuneration Committee	
Director	Held	Attended	Held	Attended	Held	Attended
K L Ashworth	6	3	1	1	1	1
L A Colless	6	6	1	1	1	1
P L Munachen	6	6	1	1	1	1
C A R West	6	4	1	1	1	1

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Service agreements
D Share-based compensation
E Additional information

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

The information provided in the remuneration report includes remuneration disclosures that are required under Accounting Standard AASB 124 “Related Party Disclosures”. These disclosures have been transferred from the financial report and have been audited.

A. Principles used to determine the nature and amount of remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward corporate governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage/alignment of executive compensation
- transparency
- capital management

The Company has structured an executive remuneration framework that is market competitive and complementary to the reward strategy for the organisation.

Non-executive directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. The Chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration.

Directors consulting fees

Directors' consulting fees are determined by the Board as a whole. This amount is separate from any specific tasks the directors may take on for the Company. For example, Mr Colless's company, Mineral Administration Services Pty Ltd undertakes all the financial, administration and accounting functions for the Company as well providing the services of Ms Brown as Company Secretary. His remuneration is set out below in this report and is fully disclosed in the Notes to the Financial Statements.

The directors of the economic entity during the year were:

Newland Resources Ltd
L A Colless, K L Ashworth, P L Munachen, C A R West

Newland Financial Group Limited
S L Goschalk (resigned 8/10/08), D R W Masters (resigned 9/3/09), F L Cremer (resigned 19/2/09), C A R West, L A Colless, P Addison(resigned 9/12/08)

Resources Services Ltd *
D J Hutchins, L A Colless, C A R West, S L Goschalk, J R Mitchell.

Resources Services (BVI) Ltd group
L A Colless, D J Hutchins, M Roberts, R Barby

Mt Garnet Mines NL, Saturn Exploration NL and Exploration Australia Pty Ltd.
L A Colless, P L Munachen, K E V Brown.

Newland Stockbrokers Limited**
C A R West, F L Cremer, P Armour, J D Forster, S L Goschalk. D R W Masters, K J McGuire, J R Mitchell

Newland Resources UK Limited
K Ashworth, L A Colless, C A R West

Compass Capital Assets Limited#
Global Invest Corporation, Universal Intergroup Corporation

Orchid Strategic Investments Limited
Folio Corporate Services Limited

Balkan Heights Property Limited
Cosign Services Limited, Spread Services Limited

* In liquidation from 25/03/2009
** In liquidation from 19/05/2009
\# Deregistered on 03/02/2009

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT – (continued)

B. Details of Remuneration (Audited)

Details of remunerations to directors are as follows:

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Directors' income (see also Note 12)				
Total income received, or due and receivable, by directors of Newland Resources Ltd from the company and any related body corporate in connection with the management of the company and any related body corporate.	*307,626	*338,431	307,626	338,431
Total income received, or due and receivable, by directors of subsidiaries only, from the company and any related body corporate in connection with the management of the company and any related body corporate.	**592,017	**875,795	-	-

The details of remuneration of the directors and key management personnel and specified executives of Newland Resources Ltd are set out in the following tables.

The key management personnel of Newland Resources Ltd are the following:

- TWR West – Investment advisor
- Stephen Goschalk –Group operating officer

Name	Short-term benefits Cash Salary and fees $	Post-employment benefits Superannuation $	Share-based payments $	Total $
Executive Directors				
2009				
C A R West				
Director parent and UK subsidiaries	126,382	12,610	-	*138,992
F Cremer (resigned prior to year end)				
Director UK subsidiaries	67,646	8,561	-	**76,207
K McGuire (resigned prior to year end)				
Director UK subsidiaries	54,724	6,528	-	**61,252
S Goschalk (resigned prior to year end)				
Director UK subsidiaries and Group operations officer	61,564	7,523	-	**69,087
John Mitchell				
Director UK subsidiaries	55,908	6,084	-	**61,992
James Forster (resigned prior to year end)				
Director UK subsidiaries	88,925	10,431	-	**99,356
Peter Armour (resigned prior to year end)				
Director UK subsidiaries	34,203	3,425	-	**37,628
2008				
C A R West				
Director parent and UK subsidiaries	154,485	18,246	-	*172,731
F Cremer				
Director UK subsidiaries	109,379	12,768	-	**122,147
K McGuire				
Director UK subsidiaries	176,554	21,063	-	**197,617
S Goschalk				
Director UK subsidiaries and Group operations officer	246,223	30,337	-	**276,560
John Mitchell				
Director UK subsidiaries	101,368	22,783	-	**124,151
James Forster				
Director UK subsidiaries	84,945	10,149	-	**95,094
Peter Armour				
Director UK subsidiaries	22,069	7,043	-	**29,112

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT - (continued)

The details of directors' remunerations paid or payable are as follows (continued):

Name	Short-term benefits Cash Salary and Fees $	Post-employment benefits Superannuation $	Share-based payments $	Total $
Non-executive Directors				
2009				
K L Ashworth				
Director, parent and consultant to UK subsidiary				
Consulting – parent	24,634	-	-	*24,634
L A Colless				
Director parent and all subsidiaries				
Consulting – parent[(a)]	30,000	-	-	*30,000
P L Munachen				
Director parent and Australian subsidiaries				
Consulting – parent	30,000	-	-	*30,000
David Masters (resigned prior to year end)				
Director UK Subsidiaries	34,603	-	-	**34,603
D J Hutchins				
Director UK and BVI subsidiaries, investment manager for subsidiaries and their clients				
Consulting fees - parent				
Consulting -subsidiary	75,946	-	-	**75,946
K R Thygesen				
Director UK subsidiary				
Consulting -subsidiary	75,946	-	-	**75,946
K E V Brown				
Director Australian subsidiaries				
Administration, accounting, financial administration fees[(a)]	84,000	-	-	*84,000

(a) Fees payable for administration, company secretarial and financial services of $84,000 provided by Mineral Administration Services Pty Ltd, a company in which Mr Colless and Miss Brown are directors and shareholders. Also $30,000 was payable to Mineral Administration Services Pty Ltd for director's consulting fees in respect of Mr Colless.

Name	Short-term benefits Cash Salary and Fees $	Post-employment benefits Superannuation $	Share-based payments $	Total $
2008				
K L Ashworth				
Director, parent and consultant to UK subsidiary				
Consulting – parent	21,700	-	-	*21,700
L A Colless				
Director parent and all subsidiaries				
Consulting – parent[(a)]	30,000	-	-	*30,000
P L Munachen				
Director parent and Australian subsidiaries				
Consulting – parent	30,000	-	-	*30,000
David Masters				
Director UK Subsidiaries	31,114	-	-	**31,114
D J Hutchins				
Director UK and BVI subsidiaries, investment manager for subsidiaries and their clients				
Consulting -subsidiary	-	-	-	-
K R Thygesen				
Director UK subsidiary				
Consulting -parent	-	-	-	-
K E V Brown				
Director Australian subsidiaries				
Administration, accounting, financial administration fees[(a)]	84,000	-	-	**84,000

(a) Fees payable for administration, company secretarial and financial services of $84,000 provided by Mineral Administration Services Pty Ltd, a company in which Mr Colless and Miss Brown are directors and shareholders. Also $30,000 was payable to Mineral Administration Services Pty Ltd for director's consulting fees in respect of Mr Colless.

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT - (continued)

The Consolidated Entity has two executives only. Details of their remuneration are as follows:

Name	Short-term benefits Cash Salary and Fees $	Post-employment benefits Superannuation $	Share-based payments	Total $
Other key management personnel				
2009				
T W R West				
Investment advisor for subsidiaries				
Consulting fees	224,426	-	-	224,426
Stephen Goschalk (resigned prior to year end)	41,042	-	-	41,042
2008				
T W R West				
Investment advisor for subsidiaries				
Consulting fees	192,751	-	-	192,751
Stephen Goschalk*	-	-	-	-

*Details of remuneration paid to Stephen Goschalk can be found in the table disclosing remuneration paid to directors.

C. Service agreements

T W R West, Executive.
Term of Agreement - Initially for a one (1) year period, commencing 1 July 2006 and thereafter until terminated, by three months written notice, by either party.
Agreement – Pacific International Management Limited to procure the services of Mr West to provide consulting services to the group, at GBP70,000 per annum, payable monthly in arrears.

D. Share-based payments

No share based remuneration compensation was paid to any director during the financial year.

The terms and conditions of each grant of options affecting remuneration in the previous, current or future reporting periods are as follows:

Grant date	Date vested and exercisable	Expiry date	Exercise Price	Value per option at grant date
27 Nov 2006	3 July 2008	3 July 2011	$0.08	$0.031

The unlisted options were granted for no consideration as an incentive bonus. The options carry no dividend or voting rights. When exercised, each option is convertible into one ordinary share. The options granted are not subject to any performance conditions. No options were granted to the directors and key management personnel during the year. No options were exercised during the year.

Details of ordinary shares in the company provided as remuneration to each director of Newland Resources Ltd and other key management personnel of the Group are set out below.

Name	Number of options granted 2009	Number of options granted 2008	Number of options vested 2009	Number of options vested 2008
Directors of Newland Resources Ltd				
C A R West	-	-	4,094,439	-

During the year, 4,094,439 options granted to key personnel lapsed on cessation of employment.

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT - (continued)

E. *Additional information – (audited)*

	Cash Bonus		Options					
Name	Paid %	Forfeited %	Year granted	Vested %	Forfeited %	Financial Years in which options may vest $	Minimum total value of grant yet to vest $	Maximum total value of grant yet to vest $
C A R West	-	-	2007	100	-	-	-	-
K L Ashworth	-	-	-	-	-	-	-	-
L A Colless	-	-	-	-	-	-	-	-
P L Munachen	-	-	-	-	-	-	-	-
T W R West	-	-	-	-	-	-	-	-
S Goschalk	-	-	2007	-	100		-	-

Share Options

Options to take up ordinary shares in the capital of Newland Resources Ltd have been granted as follows:

Outstanding as at the date of this report:

Unlisted options exercisable at 8 cents between 3 July 2008 and 3 July 2011	
Outstanding as at date of this report	4,094,439
Outstanding at the beginning of the financial period	8,188,878
Granted/ (lapsed) during the financial period	(4,094,439)
Exercised during the financial period	Nil
Outstanding at end of the financial period	4,094,439

No options were exercised during the year and no shares have been issued from the exercise of options since year-end to the date of this report. No person entitled to exercise any option has or had, by virtue of the option, a right to participate in any share issue of any other body corporate. The names of all holders of options are entered into the Company's register, inspection of which may be made free of charge.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Newland Resources Ltd support and have adhered to the principles of corporate governance and have established a set of policies and manuals for the purpose of managing corporate governance. The Company's detailed corporate governance policy statement is contained in the additional Supplementary Information section of the annual report and can be viewed on the Company's web site at www.newlandresources.com.

ENVIRONMENTAL REGULATION

The Company is regulated by environmental authorities only for its mineral tenement interests at this time. As no substantial work has been done on these tenements during the year and due to the minor interest the Company has in these tenements, there are no significant environmental regulatory liabilities affecting the Company.

DIRECTORS' INDEMNITIES

The Company has paid out no amounts to insure the Directors and/or Secretary for liabilities incurred as costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities of the consolidated entity.

AUDIT COMMITTEE

The audit committee consisted of the full board from 17 October 2008. The full Board reviews and approves the financial statements.

DIRECTORS' REPORT (Continued)

AUDIT INDEPENDENCE AND NON-AUDIT SERVICES

Auditors' independence -section 307C

The following is a copy of a letter received from the Company's auditors:

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

To the directors of Newland Resources Ltd,

"Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 30 June 2009 annual financial statements; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Frank Vrachas (Lead auditor)
Rothsay Chartered Accountants
Dated 30 September 2009

Non-audit services

The board of directors has considered the position and, in accordance with the advice received from the audit committee is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including acting in a management or a decision-making capacity for the Company or acting as advocate for the Company.

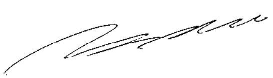
Auditors' remuneration

The following amounts were paid to the auditors:

	Consolidated		Parent entity	
	2009 $	2008 $	2009 $	2008 $
Audit Services				
Rothsay				
- Audit and review of financial reports and other audit work under the Corporations Act 2001	33,500	50,181	33,500	50,181
Hays Macintyre				
- Audit of UK subsidiary	-	80,606	-	-
Total fees for audit services	33,500	130,787	33,500	50,181
Non – Audit Services				
Rothsay				
- Taxation services	-	2,700	-	2,700
Hays Macintyre				
- Taxation services UK subsidiary	-	-	-	-
Total fees for non-audit services	-	2,700	-	2,700
Total remuneration of auditors	33,500	133,487	33,500	52,881

Signed in accordance with a resolution of the directors.

Dated at Perth this 30th day of September 2009.



L A Colless
Director

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Revenue from continuing operations					
Revenue from continuing operations	2	9,926,850	15,126,033	6,659,119	13,737,473
Expenses					
Cost of investment sold		(6,444,305)	(6,058,117)	(6,310,396)	(8,451,091)
Secretarial and administration fees		(84,000)	(84,000)	(84,000)	(84,000)
Legal fees		(1,138,375)	(445,416)	(305,749)	(191,431)
Commission		(1,227,762)	(112,481)	-	-
Directors, consulting fees		(84,634)	(81,700)	(84,634)	(81,700)
Directors' salary & entitlements		(565,022)	(440,794)	-	-
Corporate fees and reports		(21,892)	(30,562)	(21,670)	(30,562)
Management services fees		(189,395)	-	-	-
Travel, accommodation and entertainment		(310,264)	(635,821)	(54,238)	(351,988)
Consulting		(486,224)	(918,088)	(148,930)	(286,756)
Computing IT costs		(59,782)	(106,131)	(3,588)	(6,820)
Due diligence costs		-	(89,226)	-	(89,226)
Provision for Bad debts		(25,234)	(75,742)	(25,234)	(63,213)
Bad debts written off		(183,859)		(62,103)	
Irrecoverable VAT		(31,741)	(96,764)	-	-
Audit fees		(33,500)	(130,787)	(33,500)	(50,181)
Auditors - other services		-	(2,700)	-	(2,700)
Staff costs		(717,892)	(1,227,693)	-	(76,941)
Premises costs		(324,765)	(354,240)	(450)	(81,012)
Interest payable		(17,950)	(52)	(375)	(52)
Insurance		(110,290)	(152,929)	(6,124)	-
Depreciation		(154,019)	(112,987)	(55,660)	-
Employee share based payments		103,203	-	103,203	-
Foreign Exchange gains (losses)		343,214	(385,470)	(64,348)	(556,982)
Provision subsidiaries		-	-	(5,892,515)	(660,311)
Impairment of investments		(10,386,282)	(7,376,616)	(8,241,913)	(6,930,069)
Provision for exploration		(2,469,614)	-	(2,469,614)	-
Exploration costs written off		(208,311)	-	(208,311)	-
Other expenses from ordinary activities		(379,471)	(289,854)	(14,981)	(137,171)
Loss on disposal of subsidiary	19	(2,851,592)	-	(20,654)	-
Profit (loss) before income tax		(18,132,908)	(4,082,137)	(17,346,665)	(4,394,735)
Income tax expense	3	754,796	(1,234,572)	754,796	(1,234,572)
Profit (loss) for the year		(17,378,112)	(5,316,709)	(16,591,869)	(5,629,305)
Profit (loss) attributable to minority interests		-	-	-	-
Profit (loss) attributable to members of Newland Resources Ltd		(17,378,112)	(5,316,709)	(16,591,869)	(5,629,305)

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009 – (continued)

	Note	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Earnings per share for profit (loss) from continuing operations attributable to the ordinary equity holders of the Company					
Basic earnings per share	17	(0.103)	(0.032)	(0.098)	(0.034)

The above income statement should be read in conjunction with the accompanying notes.

BALANCE SHEET
AS AT 30 JUNE 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
ASSETS					
Current Assets					
Cash and cash equivalents	4	127,151	898,902	91,227	336,017
Trade and other receivables	5	550,980	1,237,068	237,713	218,665
Total Current Assets		678,131	2,135,970	328,940	554,682
Non-Current Assets					
Property, plant & equipment	6	237,263	555,081	223,375	274,239
Held-to-maturity investments	7	-	-	-	5,228,824
Other non – current assets	8B	-	2,360,907	-	2,360,907
Available-for-sale financial assets	8A	8,960	13,120,809	8,960	8,951,960
Total Non-current Assets		246,223	16,036,297	232,335	16,815,930
Total Assets		924,354	18,172,267	561,275	17,370,612
LIABILITIES					
Current Liabilities					
Trade and other payables	9	1,343,493	1,042,193	523,215	429,209
Current tax liabilities	3	-	696,792	-	696,792
Total current liabilities		1,343,493	1,738,985	523,215	1,126,001
Non Current Liabilities					
Payables	7	-	-	61,480	-
Total current liabilities		-	-	61,480	-
Total liabilities		1,343,493	1,738,985	584,695	1,126,001
Net Assets		(419,139)	16,433,282	(23,420)	16,244,611
Equity					
Contributed equity	10	20,356,358	19,910,658	20,356,358	19,910,658
Reserves	11	54,237	(25,754)	128,560	250,422
Accumulated profits (losses)	11	(20,829,734)	(3,451,622)	(20,508,338)	(3,916,469)
		(419,139)	16,433,282	(23,420)	16,244,611
Minority interest		-	-	-	-
Total Equity		(419,139)	16,433,282	(23,420)	16,244,611

The above balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

Attributable to members of Newland Resources Ltd

Consolidated	Note	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Minority Interest $'000	Total equity $'000
Balance at 1 July 2007		19,732	1,322	1,865	-	22,919
Profit/(Loss) for the financial period	11b	-	-	(5,316)	-	(5,316)
Total recognised income and expense for the year		-	-	(5,316)	-	(5,316)
Contributions of equity, net of transaction costs	10	178	-	-	-	178
Share based payments	11a					-
Available for sale investments revaluation reserve	10	-	(1,011)	-	-	(1,011)
Foreign currency translation reserve		-	(336)	-	-	(336)
Balance at 30 June 2008		19,910	(25)	(3,451)	-	16,434

Attributable to members of Newland Resources Ltd

Consolidated	Note	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Minority Interest $'000	Total equity $'000
Balance at 1 July 2008		19,910	(25)	(3,451)	-	16,434
Profit/(Loss) for the financial period	11b	-	-	(17,378)	-	(17,378)
Total recognised income and expense for the year		-	-	(17,378)	-	(17,378)
Contributions of equity, net of transaction costs	10	446	-	-	-	446
Share based payments	11a		(103)			(103)
Available for sale investments revaluation reserve	10	-	(19)	-	-	(19)
Foreign currency translation reserve		-	201	-	-	201
Balance at 30 June 2009		20,356	54	(20,829)	-	(419)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Cash Flows from Operating Activities					
Interest received		16,833	190,780	4,131	125,238
Other revenue		24,635	1,486,096	-	-
Fees received		1,079,693	3,616,928	-	-
Foreign Exchange gain (loss)		(64,348)	(323,591)	(64,348)	(556,982)
Tax paid		-	(1,363,321)	-	(1,363,321)
Payments to suppliers and contractors (inclusive of goods and services tax)		(3,157,259)	(7,743,292)	(551,728)	(1,280,637)
Net cash (outflow) inflow from operating activities	14	(2,100,446)	(4,136,400)	(611,945)	(3,075,702)
Cash Flows from Investing Activities					
Property, plant & equipment		(7,423)	(375,458)	(4,796)	(60,418)
Exploration expenditure		(317,018)	(1,170,711)	(317,018)	(1,170,711)
Sale of investments		1,345,978	6,346,241	643,468	6,175,457
Security Deposits		(92,775)	-	(32,500)	(827,032)
Investments - other bodies corporate		-	(9,918,169)	-	(9,356,286)
Receivables		(3,544)	2,931,989	(3,544)	2,985,862
Payables		14,170	150,000	(150,000)	150,000
Net cash (outflow) inflow from investing activities		939,388	(2,036,108)	135,610	(2,130,128)
Cash Flows from Financing Activities					
Net Proceeds from issue of shares		445,700	-	445,700	-
Borrowings from / (to) subsidiaries		-	-	(214,155)	(1,138,222)
Net cash (outflow) inflow from financing activities		445,700	-	231,545	(1,138,222)
Net increase (decrease) in cash and cash equivalents		(715,358)	(6,172,508)	(244,790)	(6,317,052)
Cash and cash equivalents at the beginning of the financial year		898,902	7,129,178	336,017	6,653,069
Effects of exchange rate changes on cash and cash equivalents		76,441	(57,768)	-	-
Decrease in cash due to deconsolidation		(132,834)	-	-	-
Cash and cash equivalents at the end of the financial year	4	127,151	898,902	91,227	336,017
Non -Cash investing and financing activities					
Acquisition of tenement by issue of shares		-	180,000	-	180,000
Acquisition of shares in lieu of loan receivable		3,607,088	-	3,607,088	-

The above cash flow statement should be read in conjunction with the accompanying notes.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

This financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards (AASBs), adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. International Financial Reporting Standards (IFRSs) form the basis of AASBs adopted by the AASB, and for the purpose of this report are called Australian equivalents to IFRS (AIFRS) to distinguish from previous Australian GAAP. The financial report complies with IFRSs and interpretations adopted by the International Accounting Standards Board.

Basis of preparation

It has been prepared on the basis of historical costs and except where stated does not take into account changing money values or current valuation of non-current assets. The accounting policies adopted are consistent with those of the previous year. The following specific accounting policies have been consistently applied, unless otherwise stated.

a) Taxes

Income tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the national income tax rate, adjusted by changes in deferred tax assets and liablities attributable to temporary differences between tax bases of assets and liabilities and their carrying amounts in the financial statements and to unused tax losses..

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those rates which are enaced or subsequently enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognsed in relation to these temporary differences if they arose in a transaction, other than a business combination that at the time of the tranaction ddi not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to relaise the asset and settle the liability simultaneously.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

b) Principles of Consolidation

The consolidated accounts incorporate the assets and liabilities of all entities controlled by Newland Resources Ltd ("the Company") as at 30 June 2009 and the results of all controlled entities for the year then ended. Newland Resources Ltd and its controlled entities are referred to in this financial report as the consolidated entity.

The effects of all intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated in full.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Outside equity interests in the results and equity of controlled entities are shown separately in the consolidated income statement and balance sheet respectively.

Where control of an entity is obtained during a financial year, its results are included in the consolidated profit and loss account from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

c) Investments and other financial assets

The Company classifies its investments in the following categories: financial ssets at fair value through profit and loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. Held-to-maturity investments are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed to the income statement, Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

When securities are classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the income statement within other income or other expenses in the period in which they arise, Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of income from continuing operations when the Company's right to receive payment is established.

Fair value

The fair values of quoted investments are based on last trade prices. If the market for financial assets is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Depreciation

Depreciation is provided on plant and equipment and is calculated on a straight line basis so as to write off the net cost of each asset during their expected useful life of 5 years.

e) Impairment of assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Non-current assets are not revalued to an amount above their recoverable amount.

f) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Newland Resources Ltd's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary financial assets such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

g) Earnings per share

Basic earnings per share is determined by dividing the profit (loss) after income tax attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

h) Trade and other Payables

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

i) Provisions

Provisions are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be reliably measured. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

j) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

k) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition. Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is recognised in the income statement.

l) Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Company's assessment of the impact of these new standards and interpretations is set out below.. The Company has not applied any of the following in preparing this financial report.

Affected Standard	Nature of Change to Accounting Policy	Application *
AASB 8: Operating Segments	No impact on accounting policy, affects disclosures in relation to operating segments instead of business and geographical segments for the financial report ending 30 June 2010.	1 January 2009
AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB5, AASB6, AASB102, AASB 107, AASB119, AASB127, AASB134, AASB136, AASB 1023 and AASB1038]	No impact on accounting policy, affects disclosures only	1 January 2009
Revised AASB 101: Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101	No impact on accounting policy, affects disclosures only	1 January 2009
AASB 2008-1 Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	No impact on accounting policy, affects disclosures only	1 January 2009
AASB 2008-8 Amendment to IAS 39 *Financial Instruments: Recognition and Measurement*	No material impact on the financial statements	1 July 2009

* Applicable to reporting periods commencing on or after the given date

o) Critical accounting estimates & judgements

In preparing this Financial Report, the Company has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

i) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of exploration and evaluation expenditure

The Group has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the Areas of Interest concerned or on the basis that it is not yet possible to assess whether it will be recouped.

ii) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on an number of factors, including whether the Company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

As at 30 June 2009, the carrying value of exploration expenditure is NIL.

Impairment of available for sale investments

The available for sale investments have been subjected to impairment criteria in accordance with accounting standards and current market conditions, particularly those investments that are not listed on recognised stock exchanges. The majority of the impaired investments are expected to mature within the next twelve months and, where applicable, the impairment losses will be written back.

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

		Consolidated 2009 $	Consolidated 2008 $	Parent entity 2009 $	Parent entity 2008 $
2.	REVENUE FROM CONTINUING OPERATIONS				
	Included in revenue from continuing operations are the following:				
	Sale of investments	6,807,985	12,394,102	6,271,436	13,558,362
	Fees received	782,227	354,543	-	-
	Placing income	1,823,222	1,240,108	-	-
	Interest received or due and receivable from other corporations	16,833	190,780	387,683	179,111
	Other revenue	496,583	946,500	-	-
		9,926,850	15,126,033	6,659,119	13,737,473
3.	INCOME TAX EXPENSE				
	(a) Income Tax expense				
	Current Tax	(754,796)	1,234,572	(754,796)	1,234,572
	Deferred Tax	-	-	-	-
		(754,796)	1,234,572	(754,796)	1,234,572
	Numerical reconciliation of income tax expense to prima facie tax payable				
	Profit (Loss) for year before income tax	(18,132,908)	(4,082,139)	(17,346,665)	(4,394,735)
	Tax at the Australian tax rate of 30%	(5,439,872)	(1,224,642)	(5,204,000)	(1,318,421)
	Ta x effect of non-deductible items:				
	Impairment of investments	-	2,054,403	-	2,054,403
	Share based payments	(30,961)	-	(30,961)	-
	Provision doubtful debts	-	18,964	-	18,964
	Other items		(93,779)		-
	Prior year tax losses not recognised now recouped	-	-	-	-
	Difference in overseas tax rates	-	-	-	-
	Adjustments in respect of deferred income tax of previous years	4,716,037	-	4,480,165	-
	Under (over) provision in prior year	(754,796)	479,626	(754,796)	479,626
	Income tax expense	(754,796)	1,234,572	(754,796)	1,234,572
	(b) Provision for Income Tax				
	The taxation provision represents tax payable in:				
	United Kingdom on the income of a subsidiary.	-	-	-	-
	Australian on the income of the parent entity	-	754,946	-	754,946
	Tax paid during the year	-	(58,154)	-	(58,154)
		-	696,792	-	696,792
4.	CURRENT ASSETS - CASH AND CASH EQUIVALENTS				
	Cash at bank and on hand	127,151	898,802	91,227	336,017
5.	CURRENT ASSETS - TRADE AND OTHER RECEIVABLES				
	Trade debtors and broker's settlement accounts	262,250	395,192	112,646	166,559
	Other receivables	256,230	197,398	92,567	52,106
	Deposits	32,500	644,478	32,500	-
		550,980	1,237,068	237,713	218,665

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

	Consolidated 2009 $	Consolidated 2008 $	Parent entity 2009 $	Parent entity 2008 $
6. PLANT & EQUIPMENT				
At 1 July				
Cost	706,178	175,767	274,239	42,725
Less: accumulated depreciation	(151,097)	(43,375)	-	-
Net book value	555,081	132,392	274,239	42,725
Movement for year				
Opening net book amount	555,081	132,392	274,239	42,725
Reconciliation of carrying amount taken over/(disposed) on consolidation/(deconsolidation) - net value	(261,371)	-	-	-
Foreign exchange adjustment of opening balance	743	(10,879)	-	-
Additions	7,423	546,555	4,796	231,514
Depreciation charge	(64,613)	(112,987)	(55,660)	-
Closing net book amount	237,263	555,081	223,375	274,239
At 30 June				
Cost	330,678	706,178	279,035	274,239
Less: accumulated depreciation	(93,415)	(151,097)	(55,660)	-
Net book value	237,263	555,081	223,375	274,239
7. HELD-TO-MATURITY INVESTMENTS				
Unlisted investments				
Shares in controlled entities - at fair value				
At 1 July	-	-	480,593	1,536,097
Additions	-	-	-	1,999,068
Disposals	-	-	(15,605)	(2,392,974)
Net gain (loss) from fair value adjustment	-	-	(438,706)	(661,598)
At 30 June	-	-	26,282	480,593
Loans to (from) subsidiaries - at fair value				
At 1 July	-	-	4,748,231	(548,504)
Addition	-	-	617,816	5,296,735
Net gain (loss) from fair value adjustment	-	-	(5,453,809)	-
At 30 June	-	-	(87,762)	4,748,231
Net balance at 30 June	-	-	(61,480)	5,228,824

(a) Investment in controlled entities

Name	Country of Incorporation	Percentage of equity interest held by economic entity 2009	2008
Saturn Exploration NL	Australia	100%	100%
Mt Garnet Mines NL	Australia	100%	100%
Newland Financial Group Limited	United Kingdom[1]	100%	100%
Newland Resources UK Limited	United Kingdom[1]	100%	100%
Compass Capital Assets Limited**	British Virgin Islands[2]	-	100%
Balkan Heights Property Limited	Guernsey, CI[2]	100%	100%
Exploration Australia Pty Ltd	Australia	100%	-

[1] Entities not audited by Rothsay that carry on business in the United Kingdom.

[2] Entities not audited by Rothsay that carry on business outside of Australia.

** De- registered during the year

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

7. HELD-TO-MATURITY INVESTMENTS (continued)

	2009 $	2008 $
Cost		
Newland Financial Group Limited	1,998,762	1,998,762
Newland Resources UK Limited	306	306
Resources Services (BVI) Ltd	2,174,959	2,174,959
Saturn Exploration NL	1	1
Mount Garnet Mines NL	140,002	140,002
Balkan Heights Ltd	15,605	15,605
Compass Capital Ltd	-	15,605
Exploration Australia Pty Ltd	1	-
Net Loans to/from subsidiaries	(87,762)	4,748,231
	4,241,874	9,093,471
Net gain (loss) from fair value adjustment	(4,303,354)	(3,864,647)
Net investment in controlled entities – at fair value	(61,480)	5,228,824

All equity interests are in ordinary shares of the controlled entities.

(b) Contribution to group operating profit (loss)

	2009 $	2008 $
Newland Financial Group Limited	(8,595,503)	(1,527,318)
Newland Resources UK Limited	(174,942)	(14,970)
Resources Services Ltd	-	-
Resources Services (BVI) Ltd	(7,356)	(9,318)
Newland Fund Management LLP	-	-
Balkan Heights Ltd	-	-
Exploration Australia Pty Ltd	-	-
Compass Capital Ltd	-	(935)
Newland Resources Ltd	(8,600,311)	(3,764,168)
	(17,378,112)	(5,316,709)

(c) Acquisition of controlled entities
During the 2008 financial year, the consolidated entity purchased 100% of the voting shares of Newland Financial Group Limited.

	Consolidated		Parent entity	
	2009 $	2008 $	2009 $	2008 $
Fair value of net assets acquired				
Investments			-	1,998,762
Receivables	-	-	-	-
Consideration (shares)	-	-	-	1,164,260
Consideration (cash/loan)	-	-	-	834,032
Total Consideration	-	-	-	1,998,762

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

7. HELD-TO-MATURITY INVESTMENTS (continued)

(d) Other non-current assets -Goodwill and cost of investment
The consolidated entity has reviewed goodwill on acquisition of subsidiaries as follows:

	Consolidated 2009 $	Consolidated 2008 $	Parent entity 2009 $	Parent entity 2008 $
Goodwill on acquisition of Resources Services Ltd – transferred to Newland Financial Group Limited during 2007-08	-	-	2,359,807	2,359,807
Goodwill on acquisition of Resources Services (BVI) Ltd	-	-	2,147,845	2,147,845
Capitalised goodwill	-	-	4,507,652	4,507,652
Less: impairment to fair value	-	-	(1,296,936)	(1,296,936)
AIFRS adjustment	-	-	(3,210,716)	(3,210,716)
Carrying value of Goodwill	-	-	-	-

8A. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Investments in securities	Consolidated 2009 $	Consolidated 2008 $	Parent entity 2009 $	Parent entity 2008 $
At 1 July	13,120,809	12,014,251	8,951,960	11,825,393
Additions	9,235,056	15,848,720	9,235,056	11,368,663
Disposals	(6,382,584)	(10,178,694)	(6,310,396)	(9,990,142)
Disposal of investments due to deconsolidation	(4,096,661)	-	-	-
Net gain(loss) from revaluation	(11,867,660)	(4,563,468)	(11,867,660)	(4,251,954)
At 30 June	8,960	13,120,809	8,960	8,951,960

The Company holds a number of available for sale financial assets including a holding of 52,705 shares in Grafton Resource Investments Limited, a resource based realisation fund listed on the Irish Stock Exchange. The fund has a five year life, maturing in October 2013. Notwithstanding the fund had a net asset value at balance date of $US40.20 per share ($US41.21 at the most recent calculation date of 31 August 2009), because there is no active liquid market the investment has been fully impaired for accounting purposes. Any profit or loss realised when the fund matures will be brought to account at that time.

8B. OTHER NON CURRENT ASSETS

	Consolidated 2009 $	Consolidated 2008 $	Parent entity 2009 $	Parent entity 2008 $
i) Loans to non-related parties	-	3,607,088	-	3,607,088
Provision for impairment	-	(3,607,088)	-	(3,607,088)
	-	-	-	-

(ii) Exploration & Evaluation Expenditure	Consolidated 2009 $	Consolidated 2008 $	Parent entity 2009 $	Parent entity 2008 $
Exploration & Evaluation expenditure costs brought forward in respect of areas of interest				
Balance 1 July	2,360,907	1,010,196	2,360,907	1,010,196
Expenditure during year comprising				
Acquisitions	-	680,000	-	680,000
Exploration expenditure, Georgina Basin, Qld	317,018	670,711	317,018	670,711
Less expensed to profit or loss[1]	(2,677,925)	-	(2,677,925)	-
Balance 30 June	-	2,360,907	-	2,360,907
Total non – current assets	-	2,360,907	-	2,360,907

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

		Consolidated		Parent entity	
		2009 $	2008 $	2009 $	2008 $
9.	ACCOUNTS PAYABLE (CURRENT)				
	Trade creditors and accruals	1,343,493	1,042,193	523,215	429,029

		2009		2008	
		Number	$	Number	$
10.	CONTRIBUTED EQUITY				
	SHARE CAPITAL				
	Ordinary shares – Fully paid	188,977,571	20,356,358	164,977,571	19,899,658
	Movements in ordinary share capital				
	Opening Balance at 1 July	164,977,571	19,910,658	163,777,571	19,732,352
	Placement	24,000,000	480,000	1,200,000	180,000
	Closing Balance at 30 June	188,977,571	20,390,658	164,977,571	19,912,352
	Less: Cost of issue	-	(34,300)	-	(1,694)
	As per Balance Sheet	188,977,571	20,356,358	164,977,571	19,910,658
	OPTIONS	4,094,439	128,149	8,188,878	231,352
	Options – Unlisted				
	At 1 July	8,188,878	231,352	8,188,878	231,352
	Issued/(lapsed) during year	(4,094,439)	(103,203)	-	-
	At 30 June	4,094,439	128,149	8,188,878	231,352

		Consolidated		Parent entity	
		2009 $	2008 $	2009 $	2008 $
11.	RESERVES AND ACCUMULATED LOSSES				
	(a) RESERVES				
	Foreign currency translation reserve	(74,323)	(276,176)	-	-
	Share based payments reserve	128,149	231,352	128,149	231,352
	Available-for-sale investments revaluation reserve	411	19,070	411	19,070
		54,237	(25,754)	128,560	250,422
	Movement in reserves for year				
	Foreign currency translation reserve				
	At 1 July	(276,176)	60,032	-	-
	Currency translation differences gain (loss) arising during the year	201,853	(336,208)	-	-
	At 30 June	(74,323)	(276,176)	-	-
	Share based payments reserve				
	At 1 July	231,352	231,352	231,352	231,352
	Options issued/(lapsed) to group employees	(103,203)	-	(103,203)	-
	At 30 June	128,149	231,352	128,149	231,352
	Available-for-sale investments revaluation reserve				
	At 1 July	19,070	1,030,103	19,070	1,030,103
	Revaluation	(18,659)	(1,011,033)	(18,659)	(1,011,033)
	At 30 June	411	19,070	411	19,070

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

11. RESERVES AND ACCUMULATED LOSSES – (continued)
(b) ACCUMULATED (PROFITS) LOSSES

	Consolidated 2009 $	Consolidated 2008 $	Parent entity 2009 $	Parent entity 2008 $
Movement for year				
At 1 July	3,451,622	(1,865,087)	3,916,469	(1,712,836)
AIFRS adjustment to goodwill	-	-	-	-
Net (Profit) Loss for the year after tax	17,378,112	5,316,709	16,591,869	5,629,305
At 30 June	20,829,734	3,451,622	20,508,338	3,916,469

(c) NATURE AND PURPOSE OF RESERVES
Refer note 1(f) for the accounting policy on foreign currency translation reserve.

The share based payment reserve is used to recognise the fair value of options issued to employees but not exercised and equity settled benefits issued in settlement of share issue costs.

The available for sale investments revaluation reserve is used to recognise the fair value of available for sale financial assets.

12. KEY MANAGEMENT PERSONNEL DISCLOSURE
(a) Directors
The directors of the economic entity during the year were:

Newland Resources Ltd
LA Colless, KL Ashworth, PL Munachen, CAR West
Newland Financial Group Limited
SL Goschalk (resigned 8/10/08), DRW Masters (resigned 9/3/09), FL Cremer (resigned 19/2/09), CAR West, LA Colless, P Addison(resigned 9/12/08)
Resources Services Ltd *
DJ Hutchins, LA Colless, CAR West, SL Goschalk, JR Mitchell
Resources Services (BVI) Ltd group
LA Colless, DJ Hutchins, M Roberts, R Barby
Mt Garnet Mines NL, Saturn Exploration NL and Exploration Australia Pty Ltd.
LA Colless, PL Munachen, K E V Brown.

Newland Stockbrokers Limited**
CAR West, FL Cremer, P Armour, JD Forster, SL Goschalk. DRW Masters, KJ McGuire, J R Mitchell
Newland Resources UK Limited
K Ashworth, LA Colless, CAR West
Compass Capital Assets Limited#
Global Invest Corporation, Universal Intergroup Corporation
Orchid Strategic Investments Limited
Folio Corporate Services Limited
Balkan Heights Property Limited
Cosign Services Limited, Spread Services Limited

* In liquidation from 25/03/2009
** In liquidation from 19/05/2009
\# Deregistered on 03/02/2009

Executive director
C A R West

(b) Other key management personnel
The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:
T W R West – Investment advisor for subsidiaries
S Goschalk – Group operations officer and Director UK subsidiary

(c) Transactions with key management personnel
Fees payable for administration, company secretarial and financial services of $84,000 provided by Mineral Administration Services Pty Ltd, a company in which Mr Colless and Miss Brown are directors and shareholders. Also $30,000 was payable to Mineral Administration Services Pty Ltd for consulting fees in respect of Mr Colless.

(d) Outstanding balances
The following balances are outstanding at the reporting date in relation to transactions with related parties:

Current payables – Director's fees:
(a) L Colless $22,500
(b) P Munachen $15,000
(c) K Ashworth $18,548

In addition, an amount of $56,000 is due to Mineral Administration Services Pty Ltd, a company associated with Mr. Colless, for administration & company secretarial services.

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

12. KEY MANAGEMENT PERSONNEL DISCLOSURE – (continued)

(e) Equity instrument disclosures relating to key management personnel

The interests of Directors and their Director related entities in shares and share options at the end of the financial period are as follows:

Name of Director	Shares held directly	Shares held indirectly	Options held directly	Options held indirectly
K L Ashworth	31,000	-	-	
L A Colless		[(a)]25,350		-
P L Munachen	-	-	-	-
C A R West		10,025,000	4,094,439	-
K E V Brown	-	[(a)]25,350	-	-
D J Hutchins	7,000,000	-	-	-

(a) 25,350 shares registered in the name of Mineral Administration Services Pty Ltd, a company in which Mr Colless and Miss Brown are directors and shareholders.

Name	Balance at the start of the financial year	Changes during the year	Issued during the year on exercise/lapse of options	Balance as the end of the financial year
2009				
(1) Shares				
Directors of Newland Resources Ltd				
K L Ashworth	31,000	-	-	31,000
L A Colless	25,350	-	-	25,350
P L Munachen	-	-	-	-
C A R West	10,025,000	-	-	10,025,000
Key Management Personnel				
K E V Brown	25,350	-	-	25,350
D J Hutchins	7,000,000	-	-	7,000,000
Total shares	17,106,700	-	-	17,106,700
(2) Options				
Directors of Newland Resources Ltd				
C A R West	4,094,439	-	-	4,094,439
Key Management Personnel				
S Goschalk (resigned prior to year end)	4,094,439	-	(4,094,439)	-
	8,188,878	-	(4,094,439)	4,094,439
2008				
(1) Shares				
Directors of Newland Resources Ltd				
K L Ashworth	31,000	-	-	31,000
L A Colless	25,350	-	-	25,350
P L Munachen	-	-	-	-
C A R West	9,915,000	110,000	-	10,025,000
Key Management Personnel				
K E V Brown	25,350	-	-	25,350
D J Hutchins	7,000,000	-	-	7,000,000
Total shares	16,996,700	110,000	-	17,106,700
(2) Options				
Directors of Newland Resources Ltd				
C A R West	4,094,439	-	-	4,094,439
Key Management Personnel				
S Goschalk	4,094,439	-	-	4,094,439
	8,188,878	-	-	8,188,878

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

12. KEY MANAGEMENT PERSONNEL DISCLOSURE – (continued)

f) Key management personnel compensation

	2009 $	2008 $
Short term employee benefits	844,481	1,091,837
Post – employment benefits	55,162	122,389
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	899,643	1,214,226

The Company has taken advantage of the relief provided by Corporations Regulation 2M.6.04 and has transferred the detailed remuneration disclosures to the Directors' Report. The relevant information can be found in sections A-C of the remuneration report within the Directors' Report.

g) Related party transactions
Other than the transactions disclosed above there are no other transactions between related parties that require disclosure.

13. RELATED PARTY TRANSACTIONS

Transactions with directors and director related entities
The directors of Newland Resources Ltd and subsidiaries during the year were:
K L Ashworth, L A Colless, P L Munachen, C A R West, S Goschalk (resigned prior to year end), D R W Masters (resigned prior to year end, F L Cremer (resigned prior to year end), P Addison (resigned prior to year end), D J Hutchins (resigned prior to year end), J R Mitchell, M Roberts, K E V Brown. R Barby, P Armour (resigned prior to year end), J D Forster (resigned prior to year end) and K J Mc Guire (resigned prior to year end).

			Consolidated		Parent entity	
			2009 $	2008 $	2009 $	2008 $
Type of transaction	Related party -directors	Terms and conditions				
Consulting	K L Ashworth	Normal commercial	24,634	21,700	24,634	21,700
Consulting	P L Munachen	Normal commercial	30,000	30,000	30,000	30,000
Consulting, administration and secretarial fees	L A Colless & K E V Brown	Normal commercial	114,000	114,000	114,000	114,000
Director's remuneration	C A R West	Normal commercial	138,992	172,731	138,992	172,731

14. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Consolidated 2009	Consolidated 2008	Parent 2009	Parent 2008
Operating profit (loss) for the year	(17,378,112)	(5,316,709)	(16,591,869)	(5,629,305)
Add (less) non-cash items:				
Income not received	(620,112)			
Income tax	(754,946)	754,946	(754,946)	754,946
(Profit)/Loss on sale of investments	(363,681)	(6,248,685)	38,960	(5,025,211)
Cost of investments sold	-	-	-	-
Impairment of investments	10,386,282	7,301,845	8,241,913	6,848,010
Share based payments	(103,203)	-	(103,203)	-
Depreciation	154,019	112,987	55,660	-
Bad debts	209,093	63,213	87,337	63,213
Provision for exploration	2,677,925		2,677,925	
Impairment of investment in subsidiaries	-	-	5,892,515	660,311
Loss on disposal of subsidiaries	2,851,592	-	20,654	-
Foreign Exchange losses	(249,453)	38,442	-	-
Changes in current assets and liabilities				
Receivables	(421,364)	(348,399)	(37,495)	186,631
Creditors	1,493,940	(494,040)	244,157	(880,424)
Non – operating item – Interest	17,574	-	(383,553)	(53,873)
Net cash inflow (outflow) from operating activities	(2,100,446)	(4,136,400)	(611,945)	(3,075,702)

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

15. EVENTS SUBSEQUENT TO BALANCE DATE

In September 2009, the Company completed a fully underwritten renounceable pro rata entitlements issue. A total of 188,977,571 shares were issued at 1 cent each to raise $1,889,775 to carry out further evaluation and for working capital.

Subsequent to the end of the financial year the sale of group entity Newland Fund Management LLP was completed and on 20 August 2009, Newland Financial Group Limited, a subsidiary of Newland Resources Ltd went into voluntary liquidation.

No other matters or circumstances, not otherwise dealt with in the financial statements, have arisen since the end of the financial year and to the date of this report which significantly affected or may significantly affect the operations of the economic entity, the results of the economic entity, or the state of affairs of the economic entity in the financial years subsequent to the financial year ended 30 June 2009.

16. SEGMENT INFORMATION

The company operates in Australia and United Kingdom in the resources and financial services industries.

	Segment Revenue $	Segment Profit (loss) $	Segment Assets $
Industry segments 2009			
Financial Services	9,926,850	(17,378,112)	924,354
Resources	-	-	-
Total	9,926,850	(17,378,112)	924,354
Industry segments 2008			
Financial Services	15,126,033	(5,316,709)	15,799,305
Resources	-	-	2,360,907
Total	15,126,033	(5,316,709)	18,160,212
Geographic segments 2009			
Australia	6,275,568	(8,600,311)	561,275
United Kingdom	3,651,282	(8,777,801)	363,079
Total	9,926,850	(17,378,112)	924,354
Geographic segments 2008			
Australia	12,305,236	(3,764,168)	12,141,791
United Kingdom	2,820,797	(1,552,541)	6,018,421
Total	15,126,033	(5,316,709)	18,160,212

17. EARNINGS PER SHARE

	Consolidated		Parent	
	2009 $	2008 $	2009 $	2008 $
(a) Basic earnings per share				
Profit (loss) attributable to the ordinary equity holders of the Company	(0.103)	(0.032)	(0.098)	(0.034)
(b) Earnings used in calculating earnings per share				
Profit/(Loss) attributable to the ordinary equity holders of the Company	(17,378,112)	(5,316,709)	(16,591,869)	(5,629,305)
	Number	Number	Number	Number
(c) Weighted average number of shares used as the denominator				
Weighted average number of ordinary shares on issue used in calculation of basic earnings per share	168,594,009	163,915,276	168,594,009	163,915,276

(d) Diluted earnings per share

Diluted earnings per share is not materially different from basic earnings per share and has therefore not been disclosed.

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

18. AUDITORS' REMUNERATION

During the year the following fees were paid or payable for services provided by the auditors:

	Consolidated		Parent	
	2009 $	2008 $	2009 $	2008 $
Audit Services				
Rothsay				
- Audit and review of financial reports and other audit work under the Corporations Act 2001	33,500	50,181	33,500	50,181
Hays Macintyre				
- Audit of UK subsidiary	-	80,606		
Total fees for audit services	33,500	130,787	33,500	50,181
Non – Audit Services				
Rothsay				
- Taxation services	-	2,700	-	2,700
Hays Macintyre				
- Taxation services UK subsidiary	-	-	-	-
Total fees for non-audit services	-	-	-	-
Total remuneration of auditors	33,500	133,487	33,500	52,881

The Company has received notification from the Company's auditor that he satisfies the independence criterion and that there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct in relation to the audit. The Company is satisfied that the non-audit services provided is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

19. LOSS ON DISPOSAL OF SUBSIDIARIES

On 25 March 2009, Resources Services Limited went into voluntary liquidation and on 19 May 2009, Newland Stockbrokers Limited went into voluntary liquidation. The consolidated entity deconsolidated Resources Services Limited & Newland Stockbrokers Limited resulting in a loss on disposal of $2,851,592.

Compass Capital Assets Limited, a subsidiary of the parent was deregistered on 3 February 2009 and deconsolidation resulted in a loss on disposal of $20,654.

20. CONTINGENT LIABILITIES AND ASSETS

As at 30 June 2009 there are no contingent liabilities of the Company for termination benefits under any service agreement or contract with directors or persons who take part in the management of the Company. There are no other contingent liabilities or assets at 30 June 2009.

21. COMMITMENTS

Mining Tenement Leases

In order to maintain current rights of tenure to exploration tenements the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the Queensland State Government.

The estimated exploration and joint venture expenditure commitments for the ensuing year, but not recognised as a liability in the financial statements :

	2009 $	2008 $
Within one year	581,000	1,570,000
Later than one year but less than five years	581,000	3,235,000
Later than five years	-	-

This expenditure will only be incurred should the Company retain its existing level of interest in its various exploration areas and provided access to mining tenements is not restricted.

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

22. FINANCIAL RISK MANAGEMENT

Overview:
The company and group have exposure to the following risks from their use of financial instruments:
(a) credit risk
(b) liquidity risk
(a) market risk

This note presents information about the company's and group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The board of directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the group through regular reviews of the risks.

(a) Credit risk:
Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers and investment securities. For the company it arises from receivables due from subsidiaries and recharges to joint venture partners.

(i) Investments:
The group limits its exposure to credit risk by only investing with counterparties that have an acceptable credit rating.

(ii) Trade and other receivables:
The company and group have established an allowance for impairment that represents their estimate of incurred losses in respect of receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures. The management does not expect any counterparty to fail to meet its obligations.

Presently, the group undertakes exploration and evaluation activities in Australia. At the balance sheet date there were no significant concentrations of credit risk.

<u>Exposure to credit risk:</u>
The carrying amount of the group's financial assets represents the maximum credit exposure.

The group's maximum exposure to credit risk at the reporting date was:

	Consolidated Carrying amount		Parent entity Carrying amoung	
	2009 $	2008 $	2009 $	2008 $
Cash and cash equivalents	127,151	1,543,380	91,227	336,017
Trade and other receivables	550,980	592,588	237,713	218,664
Other financial assets	8,960	13,120,809	8,960	8,951,960
Total exposure	687,091	15,256,777	337,900	9,506,641

An impairment loss of $5,437,194 in respect of inter-group loans was recognised during the current year from a net asset analysis of the subsidiaries positions.

<u>Impairment losses:</u>
None of the Company's other receivables are past due (2008: nil).

The movement in the allowance for impairment in respect of inter-group loans on a non-consolidated basis during the year was as follows:

	Parent entity	
	2009 $	2008 $
Balance at 1 July	16,615	15,480
Impairment loss/(write-back) recognised	5,437,194	1,135
Balance at 30 June	5,453,809	16,615

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

22. FINANCIAL RISK MANAGEMENT - continued

Whilst the loans were not payable as at 30 June 2009, a provision for impairment based on the subsidiaries financial position was made. The balance of this provision may vary due to the performance of a subsidiary in a given year.

The movement in the allowance for impairment in respect of listed shares on a consolidated basis during the year was as follows:

(b) Liquidity risk:
Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The group manages liquidity risk by maintaining adequate reserves through continuously monitoring forecast and actual cash flows.

The consolidated entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Floating interest rate		Non-interest bearing		Total carrying amount as per the statement of financial position		Weighted average effective interest rate	
	2009	2008	2009	2008	2009	2008	2009	2008
	$	$	$	$	$	$	%	%
(i) Financial assets								
Cash	127,151	898,902		-	127,151	898,902	0.11	2.75
Trade and other receivables			518,480	704,552	518,480	704,552	-	-
Deposits	-	532,516	32,500	-	32,500	532,516	-	3.50
Investments in shares	-	-	8,960	13,120,809	8,960	13,120,809	-	-
Total financial assets	127,151	1,431,418	559,940	13,825,361	687,091	15,256,779		
(ii) Financial liabilities								
Trade and other creditors	-	-	1,012,258	1,030,138	1,012,258	1,030,138	-	-
Other creditors	-	-	331,235	926,723	331,235	926,723	-	-
Total financial liabilities	-	-	1,343,493	1,956,861	1,343,493	1,956,861		

(c) Market Risk:
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk:
The group is exposed to currency risk only on listed investments in a currency other than the respective functional currencies of group entities, primarily the Australian dollar (AUD).

The currency in which these investments are denominated in is the GBP.

The group has not entered into any derivative financial instruments to hedge such investments and anticipated future receipts or payments that are denominated in a foreign currency.

The group's investments in its subsidiaries are not hedged as those currency positions are considered to be long term in nature.

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

22. FINANCIAL RISK MANAGEMENT - continued

(c) Market Risk – (continued)

Exposure to currency risk:

The group's exposure to foreign currency risk at balance date was as follows, based on notional amounts:

	Consolidated Carrying amount		Parent entity Carrying amount	
	2009 $	2008 $	2009 $	2008 $
Revenue	9,926,850	15,126,033	6,659,119	13,737,473
Expenses	(28,059,758)	(19,208,172)	(24,005,784)	(18,132,208)
Investments – shares	8,960	13,120,809	8,960	8,951,960
Gross balance sheet exposure	(18,123,948)	9,038,670	(17,337,705)	4,557,225

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
AUD	2009	2008	2009	2008
GBP	0.4630	0.4476	0.4873	0.4821

Sensitivity analysis:

A 10 percent strengthening of the Australian dollar against the following currencies at 30 June would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2008.

	Consolidated		Parent Entity	
	Equity	Profit or loss	Equity	Profit or loss
30 June 2009				
GBP	141,863	141,863	-	-
30 June 2008				
GBP	141,140	141,140	-	-

A 10 percent weakening of the Australian dollar against the above currencies at 30 June would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(ii) Interest rate risk:

At balance date the group had minimal exposure to interest rate risk, through its cash and equivalents held within financial institution.

	Consolidated Carrying Amount		Parent Entity Carrying Amount	
	30 June 2009 $	30 June 2008 $	30 June 2009 $	30 June 2008 $
Fixed rate instruments				
Financial assets	-	-	-	-
Variable rate instruments				
Financial assets	127,151	1,431,418	91,227	336,017

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

22. FINANCIAL RISK MANAGEMENT - continued

(c) Market Risk - continued:

Fair value sensitivity analysis for fixed rate instruments:
There was no exposure to fixed rate instruments at balance date or at the previous reporting period.

Fair value sensitivity analysis for variable rate instruments:
A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2008.

Consolidated	Profit or loss		Equity	
	100 bp increase	100bp decrease	100 bp increase	100 bp decrease
30 June 2009				
Cash and cash equivalents	1,272	(1,272)	1,272	(1,272)
30 June 2008				
Cash and cash equivalents	152,568	(152,568)	152,568	(152,568)

Net Fair value
For unlisted investments where there is no organised financial market, the net fair value has been based on a reasonable estimation of the underlying assets of the investment.

For other assets and other liabilities the net fair value approximates their carrying value as disclosed in the Balance Sheet.

23. SHARE BASED PAYMENTS

There was no Employee option plan in existence during the financial year. No options were granted during the financial year.

Set out below is a summary of the options granted by the Company:

Grant Date	Expiry date	Exercise price	Balance at the start of the year (Number)	Granted/ lapsed during the financial period (Number)	Balance at end of the financial period (Number)	Vested and exercisable at end of financial period (Number)
2009						
Director options						
27 Nov 2006	03 July 2011	$0.08	4,094,439	-	4,094,439	4,094,439
Employee options						
03 July 2006	03 July 2011	$0.08	4,094,439	(4,094,439)	-	-
Weighted average exercise price			$0.08	$0.08	$0.08	$0.08
2008						
Director options						
27 Nov 2006	03 July 2011	$0.08	4,094,439	-	4,094,439	-
Employee options						
03 July 2006	03 July 2011	$0.08	4,094,439	-	4,094,439	-
Weighted average exercise price			$0.08	-	$0.08	-

Options granted carry no dividend or voting rights.
When exercisable, each option is convertible into one ordinary share.
No options were exercised during the period covered in the above table.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

23. SHARE BASED PAYMENTS – (continued)

(A) Director option expense

No options were issued to the Directors during the financial year.

(B) Employee option expense

Employee share options have been granted to provide long-term incentive for senior employees to deliver long-term shareholder returns. Participation in employee share options is at the Board's discretion and no individual has a contractual right to participate in a plan or to receive any guaranteed benefits.

(C) Expenses arising from share-based payment transactions

Total expenses arising from share-based payments recognised during the financial period as employee benefits expense was:

	2009 $	2008 $
Director benefits (share options)	-	-
Employee benefits (share options	(103,203)	-
	(103,203)	-

DIRECTORS' DECLARATION

In the opinion of the Directors of Newland Resources Ltd:

(a) the financial statements and notes set out on the preceding pages are in accordance with the Corporations Act 2001 including:

i. giving a true and fair view of the financial position of the Company and consolidated entity as at 30 June 2009 and of their performance for the financial year ended on that date; and

ii complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements ; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) the audited remuneration disclosures set out in the directors' report comply with Accounting Standard AASB 124 *Related Party Disclosures* and the Corporations Regulations 2001.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Directors:

Signed at Perth this 30th day of September 2009
This declaration is made in accordance with a resolution of the Directors.

L A Colless
Director

ROTHSAY

Level 18, 6 O'Connell Street, Sydney NSW 2000 G.P.O. Box 2759, Sydney NSW 2001
Phone 8815 5400 Facsimile 8815 5401 E-mail swan2000@bigpond.com

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF NEWLAND RESOURCES LIMITED

We have audited the accompanying financial report of Newland Resources Limited (the Company") which comprises the balance sheet as at 30 June 2009 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the year.

The Company has disclosed information as required by Australian Accounting Standard AASB 124 *Related Party Disclosures* ("remuneration disclosures") under the heading "Remuneration Report" in the directors' report as permitted by the Corporations Regulations 2001.

Directors Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The Directors are also responsible for the remuneration disclosures contained in the directors' report.

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 as to whether the financial report is free of material misstatement and the remuneration disclosures in the Directors' report comply with AASB 124.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used in and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial report and the remuneration disclosures contained in the directors' report.

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

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the Corporations Act 2001.

Audit opinion

In our opinion the financial report of Newland Resources Limited is in accordance with the Corporations Act 2001, including:

a) (i) giving a true and fair view of the Company's and the group's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b) the consolidated financial report also complies with International Financial Reporting Standards.

c) the remuneration disclosures in the Directors' report comply with AASB 124

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Frank Vrachas
Partner

Dated 30th September 2009