CERVANTES CORPORATION LTD A.B.N. 79 097 982 235
AND CONTROLLED ENTITY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

Corporate Directory

Board of Directors

Barry MacKinnon

Chairman

Collin Vost

Managing Director

Graeme Armstrong

Non-Executive Director

Company Secretary

Patrick O'Neill

Registered Office

Shop 11 "Southshore Piazza"

85 The Esplanade

South Perth WA 6151

Contact Details

Cervantes Corporation Ltd

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South Perth WA 6951

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Corporate Advisors

Jackson Greeve

29 Charles Street

South Perth WA 6151

Solicitors

Steinepreis Paganin

GPO Box 2799

Perth WA 6001

Auditors

Grant Thornton (WA) Partnership
Level 1, 10 Kings Park Road
West Perth WA 6005

Share Registry

Advanced Share Registry

150 Stirling Highway

Nedlands WA 6009

Stock Exchange Listing

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

ASX Code: Ordinary Shares - CVS

Bankers

National Australia Bank Ltd

1232 Hay Street

West Perth WA 6005

CERVANTES CORPORATION LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITY
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CORPORATE GOVERNANCE STATEMENT

Unless disclosed below, all the best practice recommendations of the Australian Securities Exchange (ASX) Corporate Governance Council have been applied for the entire year ended 30 June 2009.

Principle	Recommendation Reference
1. Lay solid foundations for management and oversight	1.2
2. Structure the board to add value	2.4 & 2.5
4. Safeguard integrity in financial reporting	4.2
7. Recognise and manage risk	7.1& 7.2
8. Remunerate fairly and responsibly	8.1 & 8.2

Notification of Departure	Explanation for Departure
1.2 & 2.5 The process for evaluation of the Board, individual directors and key executives has not been disclosed. 2.4 No Nomination Committee has been established.	During the reporting period, the Board of three members was compact enough to maintain internal evaluation. This approach is the subject of ongoing evaluation and evolution as the Company grows in terms of capitalisation and diverse management structure. Members of the Board have been brought together to provide a blend of qualification, skills and national and international experience required for managing a company operating within the industry. The Board is relatively new and at this stage the establishment of a Nomination Committee is not relevant. This is however a matter for regular review and consideration by the Board.
4 The Managing Director is the chairperson of the Audit Committee.	The makeup of the Board makes strict compliance impractical. The Company Secretary is also a member of the committee.
7.1 & 7.2 Formal policies on risk management have not been adopted.	The management of risk is part of the everyday responsibility of the Managing Director, and of the full Board on a regular basis. The Company's currently small operations makes this practical at the moment. Internal financial controls are assessed regularly through the audit process.
8.1 & 8.2 Substantive compliance in relation to remuneration disclosures has been achieved with a detailed remuneration report.	The Board determined all matters of remuneration in accordance with the Corporations Act requirements, especially in respect of related party transactions and personal interest in matters before the Board. As the Company progresses and employs additional staff it is recognised that a more detailed policy and process will be required.

Board Composition

The Board comprises of three directors. The names, qualifications and relevant experience of each director are set out in the Directors' Report. The Managing Director is charged with the overall management of the Group however the rest of the Board is consulted on the activities of the Group on a regular (daily or weekly) basis and consider this an appropriate way to ensure good governance.

Name of Director	Year Appointed	Executive	Independent	Member of Remuneration Committee	Member of Audit Committee	Member of Technical & Environment Committee
Barry MacKinnon, Chairman	2001	No	Yes	Yes	Yes	Yes
Collin Vost Managing Director	2007	Yes	No	Yes	Yes	Yes
Graeme Armstrong Non-Executive Director	2008	No	Yes	Yes	Yes	Yes

Assessing the Independence of Directors

An independent director is a non-executive director and:

1. is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
2. within the last three years has not been employed in an executive capacity by the Company or another Group member, or been a director after ceasing to hold any such employment;
3. within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another Group member, or an employee materially associated with the service provided;
4. is not a material supplier or customer of the Company or another Group member, or an officer or otherwise associated directly or indirectly with a material supplier or customer;
5. has no material contractual relationship with the Company or another Group member other than as a Director of the Company;
6. has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
7. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interest of the Company.

Materiality Thresholds

The Board considers that:

§ a supplier is material if the Company or the Group accounts for more than 2% of the supplier's consolidated gross revenue;

§ a material customer is a customer of the Company or Group member which accounts for more than 2% of the Company's gross revenue; and

§ service on the Board for a period exceeding 10 years is a period which could, or could reasonably be perceived to, materially interfere with a Director's ability to act in the best interests of the Company.

Ethical Standards

The Directors are responsible for protecting the rights and interest of the shareholders through the implementation of sound strategies and action plans and development of an integrated framework of controls over the Group's resources, functions and assets. Good corporate governance structures encourage companies to create value (through entrepreneurism, innovation and development) and provide accountability and control systems commensurate with the risks involved.

Good corporate governance will evolve with the changing circumstances of a Group and must be tailored to meet these circumstances. The Group currently operates with only one permanent staff and relies on additional specialist consultants and casual field staff to assist in the formulation and implementation of development programs. On the corporate side, the management team consists of the Managing Director and the Company Secretary.

The Company's Board and management are committed to a high standard of corporate governance, ensuring that the Company complies with the Corporations Act 2001, Listing Rules of the ASX, Company Constitution and other applicable laws and regulations. However, at this stage of the Company's corporate development, implementation of the ASX Corporate Governance and Best Practice Recommendations, whilst fully supported, is not practical in every instance.

Trading Policy

Current practice requires Directors to advise the Company of any transactions conducted by them in the shares of the Company in accordance with the Corporations Act 2001 and the Listing Rules of the ASX. Officers and employees are also required to advise the Company of any transactions conducted by them in the shares of the Company in accordance with the Corporations Act 2001.

A copy of Cervantes' *Policy on Dealing with Cervantes Securities* can be accessed via the Company's website.

Audit Committee

The Managing Director, Chairman of the Audit Committee, and the Company Accountant formally state to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results, and are in accordance with the relevant Australian Accounting Standards.

The Company has appointed an audit committee whose role it is to:

- Assess the appropriateness of the accounting policies, practices and disclosure and whether the quality of the financial reporting is adequate;
- Review the scope and results of internal, external and compliance audits;
- Maintain open lines of communication between the Board and external auditors and the Company's compliance officers;
- Review and report to the Board on the annual report and financial statements;
- Assess the adequacy of the Company's internal controls and make informed decisions regarding compliance policies, practices and disclosures; and
- Nominate the external auditors.

A copy of Cervantes' *Audit Committee Charter* can be accessed via the Company's website.

Performance Evaluation

Executive Directors and Non-Executive Directors are remunerated by way of consulting fee, receiving a fixed monthly amount for their services. This remuneration package is reviewed annually by the Board. No specific performance evaluation is conducted; however the Chairman does speak to each director individually regarding their role as director.

Board Roles and Responsibilities

As the Board acts on behalf of and is accountable to the shareholders, the Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

Responsibility for the operation and administration of the consolidated entity is delegated by the Board to the Managing Director and the executive team. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and the executive team.

The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure that this is achieved. In addition to the establishment of the committees referred to in the table below, these mechanisms include the following:

- Board approval of a strategic plan designed to meet stakeholders' needs and manage business risk;
- The Board being actively involved in developing and approving initiatives and strategies designed to ensure the continued growth and success of the Company;
- Implementation of operating plans and budgets by management and Board monitoring of progress against budgets; and
- The ability for Directors to seek independent professional advice at the Company's expense, in the furtherance of their duties.

Shareholders Rights

Effective Communication

The Company's communications strategy includes the communication with shareholders through:

- Announcements to the market via the Australian Securities Exchange;
- The Company's website;
- The annual report, which is distributed to shareholders; and
- The annual general meeting and other meetings so called to obtain approval for the Boards action as appropriate.

Participation in General Meetings

The external auditor attends meetings to respond to specific questions from shareholders.

A copy of Cervantes' *Shareholder Communication Policy* and *Code of Conduct* can be accessed via the Company's website.

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 risk. The Managing Director 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 and assessing its key business risks.

Remuneration Policies

The Board as a whole is responsible for considering remuneration policies and packages applicable both to Board members and key management personnel of the Group. Broadly, the Group's remuneration policy is to ensure that any remuneration package properly reflects the person's duties and responsibilities and that it is competitive in attracting, retaining and motivating people of the highest quality.

Remuneration Committee

Directors and key executives are remunerated in accordance with market conditions and performance as judged by the Board. The Managing Director's remuneration and directors' fees are detailed in the Remuneration Report contained in the Directors' Report on page 11. There are no termination entitlements.

Timely and Balanced Disclosures

In accordance with the Company's obligations under the Listing Rules of the ASX material information is lodged immediately with the ASX and on acknowledgment by the ASX is disseminated by posting to the Company website. The Board endorses a culture in favour of continuous disclosure and recognises the benefits of consistency achieved through a dedicated spokesperson.

A copy of Cervantes' *Continuous Disclosure Policy* can be accessed via the Company's website.

Other Information

The core principles contemplate establishment of the role of the Board and senior executives, with a balance of skills, experience and independence appropriate to the nature and extent of operations, and the need for integrity among those who influence strategy and financial performance, together with responsible and ethical decision-making. Presenting the Group's financial and non-financial position requires processes that safe guard, both internally and externally, the integrity of Group reporting and its provision in a timely and balanced manner. The rights of Company shareholders must be recognised and upheld. Risk must be managed through effective oversight and internal control. Board and management effectiveness must be encouraged. Remuneration must attract and maintain talented and motivated directors and employees with a clear relationship to corporate and individual performance.

Please refer to the Company's website for further details on the Corporate Governance documents.

Your Directors present their report, together with the financial statements of the Group, being the company and its controlled entity, for the year ended 30 June 2009.

Principal Activities and Significant Change in Nature of Activities

The principal activity of the Group during the financial year was operating in the seafood and aquaculture industry in Western Australia.

On 9 January 2009, Cervantes Gold Pty Ltd was incorporated for $1. Cervantes Gold Pty Ltd is a wholly owned subsidiary of the Company which finances, explores and evaluates mineral resource projects in Australia.

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

Operating Results and Review of Operations for the Year

Operating Results

The loss of the Group for the financial year after providing for income tax amounted to:

	Year ended 30 June 2009	Year ended 30 June 2008
	$	$
	(392,847)	(345,420)

The consolidated loss of the Group amounted to $392,847, after providing for income tax. This represents an increase of 14% on the results reported for the year ended 30 June 2008. The increase in the operating loss was due to a further write down of licences and leases, the write off project research expenditure and the write down of shares held for trading at 30 June 2009 and reflects the downturn in the wider economic environment.

Review of Operations

A review of the operations of the Group during the financial year and the results of those operations are as follows:

The Group continues to communicate with our consultants in regards to the advancement of the Abolone Breeding Program and continues to negotiate with the Namibian company whereby the Group would be able to use the technology and expertise developed during the breeding program in exchange for equity in the Namibian operations.

The Lobster pots continue to be a source of income for the Group during the Lobster Season.

The Group continues to buy and sell shares in an active market and continues to assess various projects, including projects in the Resource and Energy sector, for a possible diversification of the Group's operations.

The Board will continue to assess projects, offers and opportunities which it believes will add value to Cervantes shares, based on market conditions, sector activity and ASX compliance requirements as well as ensuring the risk to reward ratio favours the Company and its shareholders.

Financial Position

The net assets of the Group have decreased by $358,947 from $1,128,707 at 30 June 2008 to $769,760 at 30 June 2009. This decrease was largely the result of the following factor:

- The adjustment for fair value of shares held for trading;
- The write off of project research expenditure; and
- Write down of licences and leases.

Significant Changes in the State of Affairs

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

On 31 December 2008 the Company issued 2,260,000 ordinary shares having received $33,900 from the exercise of options due to expire 31 December 2008, exercisable at 1.5c each. A further 27,740,000 options remained unexercised and were cancelled.

On 9 January 2009, Cervantes Gold Pty Ltd was incorporated. Cervantes Gold Pty Ltd is a wholly owned subsidiary of the Company, which finances, explores and evaluates mineral resource projects in Australia.

Dividends Paid or Recommended

No dividends were declared or paid since the start of the financial year. No recommendation for payment of dividends has been made.

After Balance Date Events

Following the successful capital raising by Baraka Petroleum Ltd, on 15 July 2009, Baraka Petroleum Ltd repaid the money loaned to it by Cervantes Corporation Ltd and issued to Cervantes Corporation Ltd 25,000,000 fully paid ordinary shares in accordance with the agreement. This represents 1.6% of the issued capital of Baraka Petroleum Ltd. On 18 May 2009 Mr Collin Vost and Mr Barry MacKinnon were appointed to the Board of Baraka Petroleum Ltd.

Following the successful capital placement by JV Global Ltd, on 10 August 2009, JV Global Ltd repaid the money loaned to it by Cervantes Corporation Ltd and issued to Cervantes Corporation Ltd 5,000,000 fully paid ordinary shares in accordance with the agreement. This allotment takes the total holding of shares in JV Global Ltd by Cervantes Corporation Ltd to 5,450,000 shares. This represents 2.6% of the issued capital of JV Global Ltd. On 29 May 2009 Mr Collin Vost was appointed to the Board of JV Global Ltd.

No other matters or circumstances that have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Future Developments

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report, as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental Issues

The Group is not aware of any matter which requires disclosure with respect to any significant environmental regulation in respect of its operating activities.

Information on Directors

Barry MacKinnon AM JP CHAIRMAN

Qualifications	Bachelor of Economics, Fellow of the Australian Society of Certified Practising Accountants.
Experience	Chairman since 2001. Mr MacKinnon has a wide range of experience in corporate finance and business management. He is currently a director of Ausrecord Pty Ltd, a document management company. Mr MacKinnon was appointed to the Board on 28 August 2001.
Interest in shares	250,000 ordinary shares.
Directorships held in other listed entities during the three years prior to the current year	Baraka Petroleum Ltd (since 18 May 2009)

Collin Vost	MANAGING DIRECTOR
Qualifications	Diploma of Financial Services, Licenced Securities Dealer.
Experience	Mr Vost has been involved in public companies for the past 20 years and has served on the Board of several, mostly junior resource companies as well as being involved in the securities dealing business since 2001. Mr Vost was appointed to the Board on 9 October 2007.
Interest in shares	30,620,000 ordinary shares.
Directorships held in other listed entities during the three years prior to the current year	Baraka Petroleum Ltd (since 18 May 2009) and JV Global Ltd (since 29 May 2009).

Graeme Armstrong	NON-EXECUTIVE DIRECTOR
Experience	Mr Armstrong was appointed to the Board on 16 January 2008. From 1990 to 1997 he was a director and shareholder of Scarboro Toyota and when this entity purchased Galleria Toyota, Mr Armstrong was appointed Dealer Principal and Director, a position he held until retirement in March 2007.
Interest in shares	4,500,000 ordinary shares.
Directorships held in other listed entities during the three years prior to the current year	None.

COMPANY SECRETARY

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

Patrick O'Neill – Bachelor of Business, Chartered Accountant. Mr O'Neill is a partner in the accounting firm Jackson Greeve. He has acted as Company Secretary for several public companies. Mr O'Neill was appointed Company Secretary on 16 January 2008.

Meetings of Directors

During the financial year, 11 meetings of directors were held, Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	**Number attended**
Barry MacKinnon	11	11
Collin Vost	11	11
Graeme Armstrong	11	11

Indemnifying Officers or Auditor

In accordance with the constitution, except as may be prohibited by the Corporation Act 2001, every Officer of the Company shall be indemnified out of the property of the Company against any liability incurred by them in their capacity as Officer, auditor or agent of the Company or a related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

As at the date of this report no insurance premiums have been paid, or agreed to be paid, for insurance against a current or former Officer's liability for legal costs.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Non-Audit Services

Grant Thornton (WA) Partnership did not provide non-audit services to the Group during 2009.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2009 has been received and can be found on page 14 of the Annual Report.

Remuneration Policy

The Board as a whole is responsible for considering remuneration policies and packages applicable both to Board members and key management personnel of the Group. Broadly, the Group's remuneration policy is to ensure that any remuneration package properly reflects the person's duties and responsibilities and that it is competitive in attracting, retaining and motivating people of the highest quality.

Fixed Remuneration

Executive Directors and Non-Executive Directors are remunerated by way of consulting fee, receiving a fixed monthly amount for their services. This remuneration package is reviewed annually by the Board.

Performance Linked Remuneration and Entitlements

The Board may from time to time approve cash bonuses and/or options designed to reward or incentivise executives, contractors and staff on such terms and conditions determined appropriate at the time of payment or issue. Often this will be linked to the achievement of Group objectives with a direct link to the creation of shareholder value.

Director Remuneration and Incentives

The Board policy is to remunerate Non-Executive Directors at market rates for time commitment and responsibilities. Independent external advice is sought where required. All securities issued to Directors and related parties must be approved by shareholders. In addition to Directors' fees, it is a policy of the Group that a Director may be paid fees or other amounts as the Board determines where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

No securities were issued to Directors or key management personnel of the Group during or since the end of the year as remuneration.

Post-Employment Benefits

The Group does not have any scheme relating to retirement benefits for Directors or key management personnel.

Nomination and Remuneration Committee

Currently, the full Board together with the Company Secretary, will consider all Nomination and Remuneration matters. The objective when the Board is convened to consider these matters is to ensure that the Group adopts and complies with remuneration policies that:

- attract, retain and motivate high caliber executives and directors so as to encourage enhanced performance by the Group;
- are consistent with the human resource needs of the Group;
- motivate directors and management to pursue long-term growth and success of the Group with an appropriate framework; and
- demonstrate a clear relationship between key executive performance and remuneration.

Employment Details of Members of Key Personnel and Other Executives

The following table provides detail of persons who were, during the financial year, members of key management personnel of the Group, and to the extent different, among the three Group executives or company executives receiving the highest remuneration.

Group Key Management Personnel	Position held as at 30 June 2009 and any change during the year	Proportion of elements of remuneration related to performance			Proportions of elements of remuneration not related to performance	
		Non-salary cash-based incentives %	Shares/Units %	Options/Rights %	Fixed Salary/Fees %	Total %
Barry MacKinnon	Chairman (Non-executive)	-	-	-	100	100
Collin Vost	Managing Director (Executive)	-	-	-	100	100
Graeme Armstrong	Director (Non-executive)	-	-	-	100	100

The service terms and conditions of the key management personnel and Group executives are not formalised in contracts of employments. The service terms and conditions are of no fixed term, no requirement for notice on termination and no entitlement for payment upon termination.

Remuneration Details for the Year Ended 30 June 2009

The following table of benefits and payments detail, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group, and to the extent different, the three Group executives receiving the highest remuneration.

		Short-Term Benefits		Post-Employment		Equity-settled share-based payments		
Group Key Management Personnel		Salary, Fees & Commissions $	Other $	Pension and Super-annuation $	Other $	Shares/Units $	Options/Rights $	Total $
Barry MacKinnon	2009	24,000	-	-	-	-	-	24,000
	2008	24,000	-	-	-	-	-	24,000
Collin Vost	2009	24,000	39,992	-	-	-	-	63,992
	2008	16,000	25,967	-	-	-	-	41,967
Graeme Armstrong	2009	24,000	-	-	-	-	-	24,000
	2008	12,000	-	-	-	-	-	12,000
Robert Grover	2009	-	-	-	-	-	-	-
	2008	34,000	-	-	-	-	-	34,000
William McSharer	2009	-	-	-	-	-	-	-
	2008	6,000	-	-	-	-	-	6,000
Total Key Management Personnel	2009	72,000	39,992	-	-	-	-	111,992
	2008	92,000	25,967	-	-	-	-	117,967
Other Executives								
Patrick O'Neill	2009	31,746	-	-	-	-	-	31,746
	2008	12,935	-	-	-	-	-	12,935

There were no long-term, Cash settled share-based payments or termination benefits paid to Key Management Personnel or Other Executives.

Included in other short-term benefits are payments made to Zurich Securities Pty Ltd which provides a serviced office and is the landlord of Cervantes Corporation Ltd. Mr Collin Vost is a director and shareholder of the securities dealing company. During the financial year $36,000 (2008: $24,000) was paid or payable.

Also included in other short-term benefits are payments made to Zurich Securities Pty Ltd which is appointed as the Company's securities dealer and advisors on normal commercial terms and conditions. Mr Collin Vost is a director and shareholder of the securities dealing company. During the financial year $3,992 (2008: $1,967) was paid for share trading and investment services.

No bonuses were paid to specified executives.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

COLLIN VOST
Managing Director

Dated 29 September 2009

Grant Thornton

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Auditor's Independence Declaration
To The Directors of Cervantes Corporation Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Cervantes Corporation Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

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

Grant Thornton (WA) Partnership

GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants

M J HILLGROVE
Partner

Perth, 29 September 2009

SHAREHOLDER INFORMATION

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows.

The information is current as at 21 September 2009.

(a) Distribution of Equity Securities

The number of holders, by size of holding, in each class of security are:

	Ordinary Shares	
	Number of	Number of
1 – 1,000	6	1,797
1001 – 5,000	43	175,951
5001 – 10,000	195	1,902,030
10,001 – 100,000	372	18,142,899
100,001 and above	248	269,048,435
Total	864	289,271,112

The number of shareholders holding less than a marketable parcel of shares is 309 (3,011,792 ordinary shares).

(b) Twenty Largest Holders

The names of the twenty largest holders, in each class of security are:

***Ordinary Shares**:*

1	New York Holdings Pty Ltd <CV Superannuation Fund A/c>	29,850,000	10.319%
2	J Maldives Trading Pvt Ltd	23,600,000	8.158%
3	Ioma Pty Ltd <The Gemini Fund A/c>	10,000,000	3.457%
4	Jayvee Investments Pty Ltd <Jayvee SP-Pension A/c>	8,000,000	2.766%
5	Gavi Trading Pty Ltd	7,300,000	2.524%
6	Laceglen Holdings Pty Ltd <Cadly Superfund A/c>	5,850,000	2.022%
7	Broken Ridge Pty Ltd	5,400,000	1.867%
8	Pejean Pty Ltd <RMZ Pension Fund A/c>	4,665,000	1.613%
9	GA Armstrong Superannuation Pty Ltd <GA Armstrong Superfund A/c>	4,500,000	1.556%
10	Mr San Tiong Ng	4,376,557	1.513%
11	Allcrest Nominees Pty Ltd <The Riemer A/c>	3,900,000	1.348%
12	Kheng Sing Lim	3,888,562	1.344%
13	Mdm Tee Lian	3,736,350	1.292%
14	Chen Hoong	3,736,349	1.292%
15	Mr David James O’Reilly	3,523,056	1.218%
16	Mr Lawrence Alexander West	3,505,000	1.212%
17	Action Engineering Pty Ltd & Mr Ernest Simpson Cooley	3,340,121	1.155%
18	Bennett (WA) Pty Ltd	3,200,000	1.106%
19	Mrs Brenda Alicia Mountford	3,197,000	1.105%
20	Dr Chin Vie Yap	3,115,000	1.077%

(c) Substantial Shareholder

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporation Act 2001 are New York Holdings Pty Ltd and J Maldives Trading Pvt Ltd.

(d) Voting Rights

All ordinary shares carry one vote per share without restriction.

(e) Restricted Securities

The Company has no restricted securities (held in escrow) on issue.

(f) Business Objective

The Company has used its cash and assets that are readily convertible to cash in a way consistent with its business objectives.

CERVANTES CORPORATION LTD ABN 79 097 982 235
AND CONTROLLED ENTITY
INCOME STATEMENT FOR YEAR ENDED 30 JUNE 2009

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
Interest income	2a	32,101	69,181	32,101	69,181
Other income	2b	66,993	43,829	66,993	43,829
Fair value loss	3	(103,260)	(14,995)	(103,260)	(14,995)
Employee benefits expense		(91,500)	(93,500)	(91,500)	(93,500)
Depreciation		(36)	-	-	-
Occupancy expenses	3	(39,438)	(27,944)	(39,438)	(27,944)
Project research expenses	3	(75,733)	(88,768)	(61,048)	(88,768)
Travel expenses		-	(15,693)	-	(15,693)
Administration expenses		(120,964)	(123,387)	(120,964)	(123,387)
Impairment of intangibles assets		(48,000)	(82,000)	(48,000)	(82,000)
Impairment of loan to subsidiary		-	-	(14,955)	-
Other expenses		(13,010)	(12,143)	(12,776)	(12,143)
Loss before income tax		**(392,847)**	**(345,420)**	**(392,847)**	**(345,420)**
Income tax (expense) / benefit	4	**-**	**-**	**-**	**-**
Loss after tax		**(392,847)**	**(345,420)**	**(392,847)**	**(345,420)**
Loss for the year		**(392,847)**	**(345,420)**	**(392,847)**	**(345,420)**
Basic loss per share (cents per share)	7	(0.13)c	(0.12)c		
Diluted loss per share (cents per share)	7	(0.13)c	(0.12)c		

The accompanying notes form part of these financial statements

CERVANTES CORPORATION LTD ABN 79 097 982 235
AND CONTROLLED ENTITY
BALANCE SHEET AS AT 30 JUNE 2009

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
Current Assets					
Cash and cash equivalents	8	277,619	880,848	273,270	880,848
Trade and other receivables	9	279,746	1,184	216,348	1,184
Other financial assets	10	117,727	126,360	117,727	126,360
Other assets	14	7,000	-	-	-
Total Current Assets		**682,092**	**1,008,392**	**607,345**	**1,008,392**
Non-Current Assets					
Property, plant and equipment	12	1,887	1,500	1,500	1,500
Trade and other receivables	9	-	-	89,341	-
Other financial asset	10	-	-	1	-
Other assets	14	55,367	-	-	-
Intangible assets	13	80,670	128,000	80,000	128,000
Total Non-Current Assets		**137,924**	**129,500**	**170,842**	**129,500**
Total Assets		**820,016**	**1,137,892**	**778,187**	**1,137,892**
Current Liabilities					
Trade and other payables	15	50,256	9,185	8,427	9,185
Total Current Liabilities		**50,256**	**9,185**	8,427	**9,185**
Total Liabilities		**50,256**	**9,185**	**8,427**	**9,185**
Net Assets		**769,760**	**1,128,707**	**769,760**	**1,128,707**
Equity					
Issued capital	16	11,983,070	11,949,170	11,983,070	11,949,170
Accumulated losses		(11,213,310)	(10,820,463)	(11,213,310)	(10,820,463)
Total Equity		**769,760**	**1,128,707**	**769,760**	**1,128,707**

The accompanying notes form part of these financial statements

CERVANTES CORPORATION LTD ABN 79 097 982 235
AND CONTROLLED ENTITY
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

Consolidated Group	**Share Capital**	**Accumulated Losses**	**Total**
	$	**$**	**$**
Balance at 1 July 2007	11,949,170	(10,475,043)	1,474,127
Shares issued during year	-	-	-
Transaction costs	-	-	-
Net loss attributable to members of the parent entity	-	(345,420)	(345,420)
Balance at 30 June 2008	11,949,170	(10,820,463)	1,128,707
Shares issued during year	33,900	-	33,900
Transaction costs	-	-	-
Net loss attributable to members of the parent entity	-	(392,847)	(392,847)
Balance at 30 June 2009	11,983,070	(11,213,310)	769,760

Parent Entity	**Share Capital**	**Accumulated Losses**	**Total**
	$	**$**	**$**
Balance at 1 July 2007	11,949,170	(10,475,043)	1,474,127
Shares issued during year	-	-	-
Transaction costs	-	-	-
Net loss attributable to members of the parent entity	-	(345,420)	(345,420)
Balance at 30 June 2008	11,949,170	(10,820,463)	1,128,707
Shares issued during year	33,900	-	33,900
Transaction costs	-	-	-
Net loss attributable to members of the parent entity	-	(392,847)	(392,847)
Balance at 30 June 2009	11,983,070	(11,213,310)	769,760

The accompanying notes form part of these financial statements

CERVANTES CORPORATION LTD ABN 79 097 982 235
AND CONTROLLED ENTITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
Cash Flow from Operating Activities					
Receipts from customers		5,000	12,914	5,000	12,914
Payments to suppliers and employees		(326,882)	(363,859)	(326,648)	(363,859)
Dividends received		3,200	-	3,200	-
Interests received		32,101	69,181	32,101	69,181
Net cash used in operating activities	20	(286,581)	(281,764)	(286,347)	(281,764)
Cash Flow from Investing Activities					
Proceeds from held for trading investments		342,675	89,465	342,675	89,465
Purchase of property, plant & equipment		(423)	-	-	-
Purchase of held for trading investments		(378,509)	(199,905)	(378,509)	(199,905)
Purchase of intangible assets		(670)	-	-	-
Advance to non-relates parties		(65,579)	-	-	-
Loans to related parties		(215,000)	-	(215,000)	-
Loan to subsidiary		-	-	(104,296)	-
Payments for exploration & evaluation		(33,042)	-	-	-
Payment for subsidiary		-	-	(1)	-
Net cash used in investing activities		(350,548)	(110,440)	(355,131)	(110,440)
Cash Flow from Financing Activities					
Proceeds of issue of shares		33,900	-	33,900	-
Costs of share issue		-	-	-	-
Net cash provided by financing activities		33,900	-	33,900	-
Net outflow in cash held for the year		(603,229)	(392,204)	(607,578)	(392,204)
Cash at the beginning of the year		880,848	1,273,052	880,848	1,273,052
Cash at the end of the year	8	277,619	880,848	273,270	880,848

The accompanying notes form part of these financial statements

This financial report includes the consolidated financial statements and notes of Cervantes Corporation Ltd and controlled entity ('Consolidated Group' or 'Group'), and the separate financial statements and notes of Cervantes Corporation Ltd as an individual parent entity ('Parent Entity').

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. 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 and have been consistently applied unless otherwise stated.

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

a Principles of Consolidation

A controlled entity is any entity over which Cervantes Corporation Ltd has the power to govern the financial and operating policies so as to obtain benefit from its activities. In assessing the power to govern, the existence and effect of holding of actual and potential voting rights are considered.

Details of the controlled entity are contained in Note 11 to the financial statements. The controlled entity has a 30 June financial year-end.

As at reporting date, the assets and liabilities of the controlled entity have been incorporated into the consolidated financial statements as well as its results for the year ended. Where a controlled entity have entered or left the Group during the year, its operating results have been included from the date control was obtained or until the date control ceased.

All inter-group balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with those adopted by the parent entity.

b Business combination

Business combination occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method.

The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identified assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss.

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 the 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 movement 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 profits 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 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.

d Property, Plant and Equipment

Each class of property, plant and equipment is carried at the cost or fair value 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 value in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount recognised as a separate asset, as appropriate, only when it is probable that future economic benefits are associated with the item will flow to the Group 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 depreciation amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	0 – 40.0%

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

e Financial Instruments

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

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

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

Financial assets at fair value through profit and loss
A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Fair value
Fair value is determined based on current bid prices for all quoted investments. Valuations 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.

Impairment
At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are regonised in the income statement.

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.

f Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandon area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each of the area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

g Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report. The directors also discuss the financial position of the Group, its cash flows, liquidity position and borrowing facilities in their report. In addition Note 23 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposure to credit risk and liquidity risk.

The Group has considerable financial resources together with projected net cash inflows from the sale of gold estimated to occur in March 2010. As a consequence, the directors believe the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and the accounts.

h Impairment of Asset

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

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

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

i Intangibles

Licences and Leases

Licences and leases are recognised at cost of acquisition. Licences and leases have an indefinite life as they are a right to fish within zones established by Government authorities. Licences and leases are carried at cost less any impairment losses.

Research and Development Costs

Expenditure during the research phase of a project is recognised as an expense when incurred. Development cost are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

j Employee Benefits

Provision is made for the Group'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 plus related on-costs. 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.

k Provisions

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

l Cash and Cash Equivalents

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

m Revenue and Other Income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from rendering of a service is recognised upon the delivery of the service to the customers.

Revenue from the annual lease of licences is recognised at the beginning of the lease period.

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

n Goods and Services Tax (GST)

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

o Comparative Figures

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

Critical Accounting Estimates and Judgments

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

Key Estimates – Impairment

Based on the Group's current use of the craypots the Directors have estimated the recoverable amount of the craypots as the fair value of these pots less costs to sell which is higher than value in use. The fair value was determined by reference to information obtained from the Department of Fisheries on prices at which craypots are sold currently.

Key Judgments – Provision for Impairment of Receivables

Included in trade receivables at reporting date is an amount receivable from Cervantes Gold Pty Ltd for $89,341 net of provision for impairment. During the financial year the parent entity advanced $104,296. The recovery of the full amount is dependent on the successful exploration and sale of gold recovered from the retreatment projects currently being assessed by the subsidiary. A provision for impairment of $14,955 has been recognised based on the net asset position of Cervantes Gold Pty Ltd.

Key Judgment – Advance to non related parties

The recovery of the full amount is dependent on the successful exploitation and sale of gold recovered from the retreatment projects currently being financed by the subsidiary. At the date of this report the Directors have sufficient reason to believe that the non-related parties will be granted rights to explore in specific areas, expenditure on further exploration for the evaluation of mineral resources in specific area has been budgeted, exploration in specific areas is on-going and has lead to the discovery of viable quantities of mineral resources and that the non related parties has not decided to discontinue such activity. Sufficient data exists to indicate that development is likely to proceed and advances are likely to be recovered in full from successful development.

Key Judgment – Exploration and Evaluation Expenditure

The Group's policy for exploration and evaluation is discussed in Note 1 (f). The application of this policy requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploitation, then the relevant capitalised amount will be written off through the income statement. At the date of this report the Group has sufficient reason to believe rights to explore in specific areas will be granted, expenditure on further exploration for the evaluation of mineral resources in specific area has been budgeted, exploration in specific areas is on-going and has lead to the discovery of viable quantities of mineral resources and the Group has not decided to discontinue such activity and sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation assets are likely to be recovered in full from successful development or sale. Such capitalised expenditure is carried at reporting date at $55,367 and the amount written off through the profit and loss for projects abandoned amounted to $52,933.

p New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended 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 3: Business Combinations, AASB 127: Consolidation and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretation 9 & 107] (application for annual reporting periods commencing 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121,AASB 127 & AASB 136] (application for annual reporting periods commencing 1 January 2009). These standards are applicable prospectively and so will only effect transactions and consolidations occurring from the date of application. In this regard, its impact on the Group will be unable to be determined. The following changes to accounting requirements are included:

  - § Acquisition costs incurred in a business combination will no longer be recognised in goodwill but will be expensed unless the cost relates to issuing debt or equity securities;
  - § Contingent consideration will be measured at fair value at the acquisition date and may only be provisionally accounted for during a period of 12 months after acquisition;
  - § A gain or loss of control will require the previous ownership interest to be remeasured to their fair value;
  - § There shall be no gain or loss from transactions affecting a parent's ownership interest of a subsidiary with all transactions required to be accounted for through equity (this will not represent a change in the Group's policy);

- § Impairment of investment in subsidiaries, joint venture and associates shall be considered when a dividend is paid by the respective investee; and
- § Where there is, in substance, no change to Group interests, parent entities inserted above existing Group shall measure the cost of its investments at carrying amounts of its share of the equity items shown in the balance sheet of the original parent at the date of reorganization.

- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's Board for the purpose of decision making. The impact of this standard has not be assessed at this stage and given the lower economic level at which segments may be identified, and the fact that cash generating units cannot be bigger than operating segments, impairment calculation may be affected.

- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comparative income. There will be no measurement or recognition impact on the Group. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

The Group did not early adopt any of the above reporting requirements and does not expect these requirements to have any material effect on the Group's financial statement.

	Note	Consolidated Group 2009	Consolidated Group 2008	Parent Entity 2009	Parent Entity 2008
		$	$	$	$
NOTE 2: Income					
2a. Interest revenues					
- other persons		32,101	69,181	32,101	69,181
		32,101	**69,181**	**32,101**	**69,181**
2b. Other income					
Lease revenue		5,000	4,545	5,000	4,545
Dividend		3,200	-	3,200	-
Surplus returned by administrator		-	8,369	-	8,369
Profit on disposal of shares		58,793	30,915	58,793	30,915
		66,993	**43,829**	**66,993**	**43,829**

NOTE 3: Loss for the Year

The loss for the year included the following expenses:

	Consolidated Group 2009	Consolidated Group 2008	Parent Entity 2009	Parent Entity 2008
Fair value adjustment	103,260	14,995	103,260	14,995
Rental expense on operating leases				
- rental expense for sublease	39,438	27,944	39,438	27,944
Project research costs	75,733	88,768	61,048	88,768

	Consolidated Group		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
NOTE 4: Income Tax				
Prima facie tax on loss before income tax @ 30%.	(122,342)	(103,536)	(117,854)	(103,536)
Add tax effect:				
Non-allowable items				
Project research costs	1,872	26,631	1,872	26,631
Legal	-	3,920	-	3,920
Impairment of assets	14,400	24,600	18,886	24,600
Fair value adjustment	30,978	4,498	30,978	4,498
Travel	-	3,600	-	3,600
Allowable items				
Capital raising cost	(11,082)	(11,082)	(11,082)	(11,082)
Exploration expenditure	(16,610)	-	-	-
Tax losses not brought to account	102,784	51,369	77,200	51,369
Income tax attributable to entity	-	-	-	-
Unrecognised deferred tax balances:				
Unrecognised deferred tax asset losses	2,494,571*	2,391,787	2,468,987	2,391,787
Unrecognised deferred tax asset other	256,949	209,699	261,435	209,699
Unrecognised deferred equity adjustment	22,164	33,246	22,164	33,246
Unrecognised deferred tax liabilities	(16,610)*	-	-	-
Net deferred tax asset not brought to account	**2,757,074**	**2,634,732**	**2,752,586**	**2,634,732**

* Unrecognised deferred tax asset losses include deferred tax asset losses relating to Cervantes Gold Pty Ltd in the amount of $21,098. These are available for offset against the unrecognized deferred tax loss in Cervantes Gold Pty Ltd.

The realising deferred tax assets will only be available if:

a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;

b) the conditions for deductibility imposed by the tax legislation continue to be complied with; and

c) no changes in tax legislation adversely affect the Company in realising the benefit.

NOTE 5: Interests of Key Management Personnel (KMP)

Refer to the remuneration report contained in the Report of the Directors for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2009.

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

	2009 $	2008 $
Short-term employment benefits	143,738	130,902
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
	143,738	130,902

KMP Options Holdings

The number of options over ordinary shares held by each KMP of the Group during the financial year is as follows:

30 June 2009

	Balance at beginning of year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at end of year
Collin Vost	30,000,000	-	-	(30,000,000)	-
Patrick O'Neill	-	-	(200,000)	200,000	-
	30,000,000	-	(200,000)	(29,800,000)	-

On 31 December 2008 the Company issued 2,260,000 ordinary shares having received $33,900 from the exercise of options due to expire 31 December 2008, exercisable at 1.5c each. A further 27,740,000 options remained unexercised and were cancelled. The weighted average share price at the date the options were exercised was 2.3c.

30 June 2008

	Balance at beginning of year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at end of year
Collin Vost	30,000,000	-	-	-	30,000,000
	30,000,000	-	-	-	30,000,000

NOTE 5: Interests of Key Management Personnel (KMP) (Cont)

KMP Shareholdings

The number of ordinary shares in Cervantes Corporation held by each KMP of the Group during the financial year is as follows:

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
Barry MacKinnon	250,000	-	-	-	250,000
Collin Vost	30,620,000	-	-	-	30,620,000
Graeme Armstrong	4,500,000	-	-	-	4,500,000
Patrick O'Neill	-	-	200,000	-	200,000
	35,370,000	-	200,000	-	35,570,000

30 June 2008

	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
Barry MacKinnon	250,000	-	-	-	250,000
Collin Vost	30,620,000	-	-	-	30,620,000
Graeme Armstrong	-	-	-	4,500,000	4,500,000
Patrick O'Neill	-	-	-	-	-
	30,870,000	-	-	4,500,000	35,370,000

Other KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP refer to Note 22: Related Party Transactions.

	Consolidated Group		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
NOTE 6: Auditors' Remuneration				
Remuneration of the auditor of the parent entity for:				
auditing or reviewing the financial report	21,303	13,708	21,303	13,708

NOTE 7: Loss Per Share	**Consolidated Group 2009**	**Consolidated Group 2008**
Loss for the year	392,847	345,420
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	288,131,824	287,011,112
Weighted average number of options outstanding	244,731	12,352,941
Weighted average number of ordinary securities outstanding during the year used in calculating diluted EPS	290,579,055	299,364,053

	Consolidated Group		**Parent Entity**	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
NOTE 8: Cash and Cash Equivalents				
Cash at bank & in hand	17,391	15,901	13,042	15,901
Interest bearing deposit	260,228	864,947	260,228	864,947
	277,619	**880,848**	**273,270**	**880,848**
Reconciliation of cash				
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:				
Cash & cash equivalents	277,619	880,848	273,270	880,848
	277,619	**880,848**	**273,270**	**880,848**

		Consolidated Group		Parent Entity	
		2009	2008	2009	2008
	Note	$	$	$	$
NOTE 9: Trade and Other Receivables					
Current					
Amounts receivable from related parties		215,000	-	215,000	-
Amounts advanced to non-related parties		58,579			
Input tax credits		6,167	1,184	1,348	1,184
		279,746	**1,184**	**216,348**	**1,184**
Non-current					
Amounts receivable from wholly owned subsidiary		-	-	104,296	-
Provision for impairment – wholly owned subsidiary	9a	-	-	(14,955)	-
		-	**-**	**89,341**	**-**

The terms of the loans to related parties are non-interest bearing, repayable on completion of capital raising or within 6 month, whichever is the shorter and limited to $200,000 each. At 30 June 2009, Baraka Petroleum Ltd had drawn down $100,000 and JV Global Ltd had drawn down $115,000. At the date of this report the loans to related parties had been repaid.

The terms of the advance to non-related parties are non-interest bearing, repayable from the proceeds from the successful exploration and sale of gold recovered from the retreatment projects being financed. Refer to Note 1, Critical Accounting Estimates and Judgments for recoverability.

9a Provision for Impairment of Receivables
Non-current trade and other receivables are assessed for recoverability based on the successful exploration and sale of gold recovered from the retreatment projects currently being assessed by the Group. A provision for impairment is recognised when there is an objective evidence that an individual trade or other receivable is impaired.

Movement in the provision for impairment of receivables is as follows:

	Opening Balance 1.7.2008	Charge for the year	Amount Written Off	Closing Balance 30.6.2009
Parent Entity				
i) Non-current wholly owned subsidiary	-	14,955	-	14,955
	-	**14,955**	**-**	**14,955**

There are no balances within trade and other receivables that contain assets that are impaired and are past due. It is expected these balances will be received when due.

Credit Risk – Trade and Other Receivables
The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

On a geographical basis, all the Group credit risk exposure is in Australia.

At the date of this report all the amounts receivable from related parties had been repaid in full.

		Consolidated Group		Parent Entity	
	Note	**2009**	**2008**	**2009**	**2008**
		$	**$**	**$**	**$**
9b Financial assets classified as loans and receivables					
Trade and other receivable					
- Total current		279,746	1,184	216,348	1,184
- Total non-current		-	-	89,341	-
Financial assets	**23**	**279,746**	**1,184**	**305,689**	**1,184**

NOTE 10: Other Financial Assets					
Current					
Financial assets at fair value through profit and loss	**10a**	117,727	126,360	117,727	126,360
		117,727	**126,360**	**117,727**	**126,360**
Non-current					
Other investments – at cost	**10b**	-	-	1	-
		-	**-**	**1**	**-**
10a Financial assets at fair value through profit and loss					
Held for trading Australian listed shares		117,727	126,360	117,727	126,360
		117,727	**126,360**	**117,727**	**126,360**

Shares held for trading are traded for the purpose of short term profit taking. Changes in fair value are included in the income statement.

10b Other investment – at cost				
Share in subsidiary	-	-	1	-
	-	**-**	**1**	**-**

NOTE 11: Controlled Entities

	Country of Incorporation	Percentage Owned (%) 2009	2008
Subsidiary of Cervantes Corporation Ltd:			
Cervantes Gold Pty Ltd	Aust	100	-

Acquisition of Controlled Entity
On 9 January 2009, Cervantes Gold Pty Ltd was incorporated. Cervantes Gold Pty Ltd is a wholly owned subsidiary of the Company.

	Consolidated Group 2009 $	2008 $	Parent Entity 2009 $	2008 $
NOTE 12: Property, Plant and Equipment				
Plant & equipment				
- At cost	423	-	-	-
- Less: accumulated depreciation	(36)	-	-	-
	387	**-**	**-**	**-**
Office equipment				
- At cost	1,500	1,500	1,500	1,500
- Less: accumulated depreciation	-	-	-	-
	1,500	**1,500**	**1,500**	**1,500**
	1,887	**1,500**	**1,500**	**1,500**

Total Property, Plant & Equipment

NOTE 12: Property, Plant and Equipment (Cont.)

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 year.

	Plant & Equip.	Office Equip	Total
Consolidated Group			
Balance at the beginning of year	-	1,500	1,500
Revaluation increment	-	-	-
Additions	423	-	423
Depreciation expense	(36)	-	(36)
Carrying amount at the end of the year	387	1,500	1,887

	Plant & Equip.	Office Equip	Total
Parent Entity			
Balance at the beginning of year	-	1,500	1,500
Revaluation increment	-	-	-
Additions	-	-	-
Depreciation expense	-	-	-
Carrying amount at the end of the year	-	1,500	1,500

	Consolidated Group		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
NOTE 13: Intangibles Assets				
Non-Current				
Licences and leases				
At valuation	490,000	490,000	490,000	490,000
Less provision for impairment	(410,000)	(362,000)	(410,000)	(362,000)
Company formation expenditure	670	-	-	-
	80,670	**128,000**	**80,000**	**128,000**

	Consolidated Group		Parent Entity	
	2009	**2008**	**2009**	**2008**
NOTE 14: Other Assets				
Current				
Prepayments	7,000	-	-	-
	7,000	**-**	**-**	**-**
Non-current				
Exploration expenditure capitalised				
-Exploration and evaluation phases	55,367	-	-	-
	55,367	**-**	**-**	**-**

Refer to Note 1, Critical Accounting Estimates and Judgments for impairment considerations.

	Consolidated Group		Parent Entity	
	2009	**2008**	**2009**	**2008**
NOTE 15: Trade and other payable				
Current				
Unsecured liabilities				
-Trade creditors	50,256	185	8,427	185
-Other creditors & accruals	-	9,000	-	9,000
	50,256	**9,185**	**8,427**	**9,185**

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
NOTE 16: Issued Capital				
289,271,112 (2008: 287,011,012)				
Fully paid ordinary shares	11,983,070	11,949,170	11,983,070	11,949,170
	11,983,070	**11,949,170**	**11,983,070**	**11,949,170**

	2009	2008	2009	2008
	No.	No.	No.	No.
Ordinary shares				
At the beginning of reporting period	287,011,112	287,011,112	287,011,112	287,011,112
Shares issued during the year:				
31 December 2008	2,260,000	-	2,260,000	-
At reporting date	**289,271,112**	**287,011,112**	**289,271,112**	**287,011,112**

On 31 December 2008 the Company issued 2,260,000 ordinary shares having received $33,900 from the exercise of options due to expire 31 December 2008, exercised at 1.5c each. The weighted average share price at the date the options were exercised was 2.3c.

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

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

(c) Options

During this reporting period the Company has not issued any options:

On 31 December 2008 30,000,000 listed options were due to be exercised or lapsed.

	2009	2008
	No	No
Opening number of options issued	**30,000,000**	**30,000,000**
Number of options issued during the year	-	-
Number of option exercised during the year	2,260,000	
(The weighted average share price at the date the options were exercised was 2.3c.)		
Number of options lapsed during the year	(27,740,000)	-
Closing Number of Options Issued	**-**	**30,000,000**

	Consolidated Group		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
NOTE 17: Capital and Leasing Commitments				
Operating lease commitments				
Non-cancellable operating leases contracted for but not capitalised in the financial statements				
Payable: minimum lease payments				
- not later than 12 months	36,000	36,000	36,000	36,000
- between 12 months and 5 years	-	-	-	-
- greater than 5 years	-	-	-	-

A serviced office and business premises are provided by Zurich Securities Pty Ltd at a fee of $3,000 per calendar month.

NOTE 18: Contingent Liabilities
There are no contingent liabilities as at balance date or as at the date of the report.

NOTE 19: Segment Reporting

	Seafood and Aquaculture		Exploration and Evaluation		Unallocated		Consolidated Group	
	2009	2008	2009	2008	2009	2008	2009	2008
	$	$	$	$	$	$	$	$
Primary Reporting								
REVENUE								
Segment revenue	5,000	4,545	-	-	-	-	5,000	4,545
Unallocated revenue	-	-	-	-	94,094	108,465	94,094	108,465
Total revenue	5,000	4,545	-	-	94,094	108,465	99,094	113,010
RESULT								
Segment result	(67,755)	(151,263)	(52,969)	-	-	-	(120,724)	(151,263)
Unallocated expenses net of unallocated revenue	-	-	-	-	(272,123)	(194,157)	(272,123)	(194,157)
Loss before income tax	(67,755)	(151,263)	(52,969)		(272,123)	(194,157)	(392,847)	(345,420)
Income tax expenses	-	-	-	-	-	-	-	-
Loss for the year	(67,755)	(151,263)	(52,969)	-	(272,123)	(194,157)	(392,847)	(345,420)
ASSETS								
Segment assets	80,000	128,000	55,754	-	-	-	135,754	128,000
Unallocated assets	-	-	-	-	684,262	1,009,892	684,262	1,009,892
Total assets	80,000	128,000	55,754	-	684,262	1,009,892	820,016	1,137,892
LIABILITIES								
Segment liabilities	-	-	41,829	-	-	-	41,829	-
Unallocated	-	-	-	-	8,427	9,185	8,427	9,185
Total liabilities	-	-	41,829	-	8,427	9,185	50,256	9,185
OTHER								
Acquisition of non-current segment assets	-	-	423	-	-	-	423	-
Depreciation of segment assets	-	-	36	-	-	-	36	-
Other non-cash segment expenses	48,000	82,000	-	-	-	-	48,000	82,000

Accounting Policies

Segment revenues and expenses are those directly attributable to the segment and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets includes all assets used by a segment and consist principally of receivables, intangibles and property, plant and equipment net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables. Segment assets and liabilities do not include deferred income taxes.

Business and Geographical Segments

Business segments

The Group has the following two business segments

- seafood and aquaculture business.
- exploration and evaluation of mineral resource projects.

Geographical segments

The Group operated only in Australia.

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
NOTE 20: Cash Flow Information				
Reconciliation of Cash Flow from Operations with Loss after Income Tax	(392,847)	(345,420)	(392,847)	(345,420)
Loss after income tax				
Non-cash flows in loss after income tax				
Impairment of intangible assets	48,000	82,000	48,000	82,000
Net gain on disposal of financial assets	(58,793)	(30,916)	(58,793)	(30,916)
Fair value adjustment	103,260	14,995	103,260	14,995
Depreciation	36	-	-	-
Impairment of amount receivable from subsidiary	-	-	14,955	-
Write down of exploration expenditure	14,685	-	-	-
Changes in Assets and Liabilities, net of the effect of purchase of subsidiary				
(Increase)/decrease in trade & term receivables	(164)	(1,183)	(164)	(1,183)
Increase/(decrease) in trade & other payables	(758)	(1,240)	(758)	(1,240)
Cash flow from operations	**(286,581)**	**(281,764)**	**(286,347)**	**(281,764)**

Acquisition of Entity

On 9 January 2009, Cervantes Gold Pty Ltd was incorporated for $1. Cervantes Gold Pty Ltd is a wholly owned subsidiary of the Company.

Purchase consideration	-	-	1	-

NOTE 21: Events After Balance Sheet Date

Following the successful capital raising by Baraka Petroleum Ltd, on 15 July 2009, Baraka Petroleum Ltd repaid the money loaned to it and issued to Cervantes Corporation Ltd 25,000,000 fully paid ordinary shares in accordance with the agreement. This represents 1.6% of the issued capital of Baraka Petroleum Ltd. On 18 May 2009 Mr Collin Vost and Mr Barry MacKinnon were appointed to the Board of Baraka Petroleum Ltd.

Following the successful capital placement by JV Global Ltd, on 10 August 2009, JV Global Ltd repaid the money loaned to it and issued to Cervantes Corporation Ltd 5,000,000 fully paid ordinary shares in accordance with the agreement. This allotment takes the total holding of shares in JV Global Ltd by Cervantes Corporation Ltd to 5,450,000 shares. This represents 2.6% of the issued capital of JV Global Ltd. On 29 May 2009 Mr Collin Vost was appointed to the Board of JV Global Ltd.

No other matters or circumstances that have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
NOTE 22: Related Party Transactions				
Transactions with related parties:				
i) Director or related entities				
Serviced office fees paid and accrued to Zurich Securities Pty Ltd, a securities dealing firm where Mr Collin Vost is the director and shareholder	36,000	24,000	36,000	24,000
ii) Brokerage fees paid and accrued to Zurich Securities Pty Ltd, a securities dealing firm where Mr Collin Vost is a director and shareholder	3,992	1,967	3,992	1,967
iii) Pursuant to a loan agreement with Baraka Petroleum Ltd, Cervantes Corporation Ltd agreed to lend up to $100,000 to assist in the recapitalization of Baraka Petroleum and the reinstatements of Baraka Petroleum Ltd on the ASX. Mr Barry MacKinnon and Mr Collin Vost are directors of Baraka Petroleum Ltd	100,000	-	100,000	-
iv) Pursuant to a loan agreement with JV Global Ltd, Cervantes Corporation Ltd agreed to lend up to $200,000 to JV Global Ltd to assist JV Global in expanding its existing operations and to assist in the funding of a placement. Mr Collin Vost is a Director of JV Global Ltd	115,000	-	115,000	-

At the date of this report the loans to Baraka Petroleum Ltd and JV Global Ltd have been repaid.

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

NOTE 23: Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and loans to subsidiary.

The totals for each category of financial instrument, measured in accordance with AASB: 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated Group 2009	Consolidated Group 2008	Parent Entity 2009	Parent Entity 2008
		$	$	$	$
Financial Assets					
Cash and cash equivalents	8	277,619	880,848	273,270	880,848
Financial assets at fair value through profit or loss					
-Held for trading	10	117,727	126,360	117,727	126,360
Loans and receivables	9b	279,746	1,184	305,689	1,184
		675,092	1,008,392	696,686	1,008,392
Financial Liabilities					
- Trade and other payables	15	50,256	9,185	8,427	9,185
		50,256	9,185	8,427	9,185

Financial Risk Management Policies

The Group's financial risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors, in its function as Audit Committee, oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors is responsible for the developing and monitoring the Group's risk management policies.

Interest rate risk

The Group has cash subject to interest and therefore the interest rate risk impact is minimal. Management continually monitors the exposure to interest rate risk. The following table sets out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk.

	< 1 Year $	Total $	Weighted average effective interest rate
Year ended 30 June 2009			
Floating rate Cash assets	277,619	277,619	5.54%
Year ended 30 June 2008			
Floating rate Cash assets	880,849	880,849	6.42%

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 policy for 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.

The Group's overall objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities.

The Group also manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

The table below summarises the maturity profiles of the Group's financial liabilities based on contractual undiscounted payments.

	Less than 3 months $	3 to 12 Months $	More than 12 months $	Total $
Year ended 30 June 2009				
Trade and other creditors	50,256	-	-	50,256
	50,256	**-**	**-**	**50,256**
Year ended 30 June 2008				
Trade and other creditors	9,185	-	-	9,185
	9,185	**-**	**-**	**9,185**

The Group also has an office service agreement. The future contracted commitments at year end is disclosed in Note 17.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. In most cases, the Group requires full and final payment either prior to, or upon delivery of the goods to the customer. In limited cases where credit is provided, the Group trades on credit terms with recognised, creditworthy third parties. Customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivables balances are monitored on an ongoing basis with the results that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Group.

All amounts past due in excess of 30 days are individually assessed and provided for as doubtful if reasonable doubt as to collectability exists.

With respect to credit risk arising from financial assets of the Group, which comprise of cash and cash equivalents and receivables, the Group's 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, as disclosed in the balance sheet and notes to the financial statements.

Included in receivables is the amount for GST refundable, this amount is not past due nor impaired.

Net Fair Value

Fair Value Estimation

The fair values of the financial assets and financial liabilities are presented in the following can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or 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 judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment 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 from markets that are actively traded. In this regard, fair value for listed securities are obtained from quoted market bid price.

	2009		2008	
	Net Carrying Value	**Net Fair Value**	**Net Carrying Value**	**Net Fair Value**
	$	**$**	**$**	**$**
Consolidated Group				
Financial Assets				
Cash and cash equivalents	277,619	277,619	880,848	880,848
Financial assets at fair value through profit or loss				
-Held for trading	117,727	117,727	126,360	126,360
Loans and receivables	279,746	279,746	1,184	1,184
	675,092	675,092	1,008,392	1,008,392
Financial Liabilities				
- Trade and other payables	50,256	50,256	9,185	9,185
	50,256	**50,256**	**9,185**	**9,185**
Parent Entity				
Financial Assets				
Cash and cash equivalents	273,270	273,270	880,848	880,848
Financial assets at fair value through profit or loss				
-Held for trading	117,727	117,727	126,360	126,360
Loans and receivables	305,689	305,689	1,184	1,184
	696,686	**696,686**	1,008,392	1,008,392
Financial Liabilities				
- Trade and other payables	8,427	8,427	9,185	9,185
	8,427	**8,427**	**9,185**	**9,185**

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. Trade and other payable exclude amounts provided for relating to annual leave which is not considered a financial instrument.

(ii) For listed held-for-trading financial assets, closing quoted bid prices at reporting date have been used.

Price Risk

Price risk relates to the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market prices largely due to demand and supply factors for commodities.

The Group is exposed to securities price risk on investments held for trading or for medium to longer term. Such risk is managed through diversification of investments across industries and geographical location.

The Group's investment are held in the following sectors at reporting date.

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
Energy	17%	17%	17%	17%
Materials	38%	40%	38%	40%
Capital Goods	7%	16%	7%	16%
Real Estate	1%	15%	1%	15%
Telecommunications	37%	11%	37%	11%
Bank	-	1%	-	1%
	100%	100%	100%	100%

Sensitivity Analysis

The following table illustrates sensitivity to the Group's exposures to changes in the interest rate. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

	Consolidated Group		Parent Entity	
	Profit	Equity	Profit	Equity
	$	$	$	$
2009				
+/- 2% in interest rate	+/- 11,600	+/- 11,600	+/- 11,600	+/- 11,600
2008				
+/- 2% in interest rate	+/- 21,500	+/- 21,500	+/- 21,500	+/- 21,500

NOTE 24: Company Details

The registered office and principal place of business of the Company is:

Shop 11 "Southshore Piazza"
85 The Esplanade
South Perth WA 6151

CERVANTES CORPORATION LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITY
DIRECTORS' DECLARATION

The directors of the Group declare that:

1. the financial statements and notes as set out on pages 17 to 46 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, 2009 and of the performance for the year ended on that date of the Company and Group.

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

    (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

    (b) the financial statements and notes for the financial year comply with the 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 of Directors.

COLLIN VOST
Managing Director

Dated: 29 September 2009

GrantThornton

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Independent Auditor's Report
To the Members of Cervantes Corporation Limited

Report on the Financial Report

We have audited the accompanying financial report of Cervantes Corporation Limited (the Company) which comprises the balance sheets as at 30 June 2009, and the income statements, statements of changes in equity and cash flow statements 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 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 controls 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 ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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 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, 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 opinions.

Independence

In conducting our audit, we complied with applicable independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

a the financial report of Cervantes Corporation Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the Company's and consolidated entity'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 (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

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 pages 11 to 13 of the directors' report for the year ended 30 June 2009. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations 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 Cervantes Corporation Limited for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001.

GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants

M J HILLGROVE
Partner

Perth, 29 September 2009