

Appendix 4E

Preliminary Final Report

Period ending 30 June 2008

Name of Entity	Richfield Group Limited
ABN	66 009 144 503
Financial Year ended	30 June 2008
Previous corresponding period	30 June 2007

Results for announcement to the market

				\$A
Revenue from ordinary activities	Down	20%	to	32,699
Net Loss from ordinary activities after tax attributable to members	Up	154%	to	455,124
Net Loss for the period attributable to members	Up	154%	to	455,124

<i>Dividend Distributions</i>	<i>Amount Per Security</i>	<i>Franked amount Per Security</i>
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous corresponding period	Nil	Nil
Record date for determining entitlements to the dividends	Not Applicable	

	Current period	Previous corresponding period
Net Tangible Asset backing per ordinary share	0.0040 cents	0.0005 cents

Commentary on the Result	The company has continued to look for investment opportunities and is in the process of formalising an agreement to purchase a Porphyry Molybdenum deposit in Indonesia (subject to shareholder approval).
Financial Report	Refer attached

This Preliminary Final Report has been compiled using the attached Financial Report for the year ended 30 June 2008 and is based on accounts which are in the process of being audited.

**RICHFIELD GROUP LIMITED
AND CONTROLLED ENTITIES**

ABN 66 009 144 503

**PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

INDEX

INCOME STATEMENT	2
BALANCE SHEET	3
STATEMENT OF CHANGES IN EQUITY	4
CASH FLOW STATEMENT.....	5
NOTES TO AND FORMING PART OF THE ACCOUNTS	6

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	CONSOLIDATED ENTITY 2008 \$	2007 \$	PARENT ENTITY 2008 \$	2007 \$
Revenue	5	32,699	40,913	32,699	40,913
Employee benefits expense		-	(14,821)	-	-
Depreciation and amortisation expense		-	(152)	-	(152)
Other expenses from ordinary activities	6	(487,823)	(204,993)	(477,733)	(195,012)
Loss before income tax expense		(455,124)	(179,053)	(445,034)	(154,251)
Income tax expense	7	-	-	-	-
Loss for the year		(455,124)	(179,053)	(445,034)	(154,251)
Loss attributable to members of the parent entity		(455,124)	(179,053)	(445,034)	(154,251)
Earnings per share for loss attributable to the ordinary equity holders of the company:					
Basic earnings per share (loss)	10	(0.0008)	(0.0004)		
Diluted earnings per share (loss)	10	(0.0005)	(0.0004)		

The accompanying notes form part of these financial statements.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES

BALANCE SHEET

AS AT 30 JUNE 2008

	NOTE	CONSOLIDATED ENTITY 2008 \$	2007 \$	PARENT ENTITY 2008 \$	2007 \$
CURRENT ASSETS					
Cash & cash equivalents	11	2,271,884	418,872	2,270,798	415,484
Trade & other receivables	12	8,030	16,766	8,030	16,766
TOTAL CURRENT ASSETS		<u>2,279,914</u>	<u>435,638</u>	<u>2,278,828</u>	<u>432,250</u>
NON CURRENT ASSETS					
Receivables	13	1,097,890	-	1,097,890	-
Other financial assets	14	13,054	22,378	13,054	22,378
Intangible assets	16	-	-	-	-
TOTAL NON CURRENT ASSETS		<u>1,110,944</u>	<u>22,378</u>	<u>1,110,944</u>	<u>22,378</u>
TOTAL ASSETS		<u>3,390,858</u>	<u>458,016</u>	<u>3,389,772</u>	<u>454,628</u>
CURRENT LIABILITIES					
Trade & other payables	17	91,611	176,451	48,879	133,748
TOTAL CURRENT LIABILITIES		<u>91,611</u>	<u>176,451</u>	<u>48,879</u>	<u>133,748</u>
TOTAL LIABILITIES		<u>91,611</u>	<u>176,451</u>	<u>48,879</u>	<u>133,748</u>
NET ASSETS		<u>3,299,247</u>	<u>281,565</u>	<u>3,340,893</u>	<u>320,880</u>
EQUITY					
Contributed equity	18	12,688,143	9,223,096	12,688,143	9,223,096
Reserves	19	5,542	(2,217)	-	-
Accumulated losses	20	(9,394,438)	(8,939,314)	(9,347,250)	(8,902,216)
TOTAL EQUITY		<u>3,299,247</u>	<u>281,565</u>	<u>3,340,893</u>	<u>320,880</u>

The accompanying notes form part of these financial statements.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008**

	NOTE	ISSUED CAPITAL	RESERVES	ACCUMULATED LOSSES	TOTAL
CONSOLIDATED ENTITY					
Balance at 1 July 2006		8,730,799	16,409	(8,760,261)	(13,053)
Contributions of equity, net of transaction costs		492,297	-	-	492,297
Adjustments from translation of foreign controlled entities	19	-	(18,626)	-	(18,626)
Loss attributable to members of parent entity	20	-	-	(179,053)	(179,053)
Balance at 30 June 2007		<u>9,223,096</u>	<u>(2,217)</u>	<u>(8,939,314)</u>	<u>281,565</u>
Contributions of equity, net of transaction costs		3,465,047	-	-	3,465,047
Adjustments from translation of foreign controlled entities	19	-	7,759	-	7,759
Loss attributable to members of parent entity	20	-	-	(455,124)	(455,124)
Balance at 30 June 2008		<u>12,688,143</u>	<u>5,542</u>	<u>(9,394,438)</u>	<u>3,299,247</u>
PARENT ENTITY					
Balance at 1 July 2006		8,730,799	-	(8,747,965)	(17,166)
Contributions of equity, net of transaction costs		492,297	-	-	492,297
Loss attributable to members of parent entity	20	-	-	(154,251)	(154,251)
Balance at 30 June 2007		<u>9,223,096</u>	<u>-</u>	<u>(8,902,216)</u>	<u>320,880</u>
Contributions of equity, net of transaction costs		3,465,047	-	-	3,465,047
Loss attributable to members of parent entity	20	-	-	(445,034)	(445,034)
Balance at 30 June 2008		<u>12,688,143</u>	<u>-</u>	<u>(9,347,250)</u>	<u>3,340,893</u>

The accompanying notes form part of these financial statements.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	CONSOLIDATED ENTITY 2008 \$	2007 \$	PARENT ENTITY 2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		-	2,835	-	-
Payments to suppliers and employees		(434,831)	(162,334)	(432,529)	(157,959)
Interest received		27,268	2,981	27,268	2,981
Net cash outflow from operating activities	23(a)	(407,563)	(156,518)	(405,261)	(154,978)
CASH FLOWS FROM INVESTING ACTIVITIES					
Loans to controlled entities		-	-	-	(20,056)
Loans to other related entities		(1,097,890)	-	(1,097,890)	-
Net cash inflow/(outflow) from investing activities		(1,097,890)	-	(1,097,890)	(20,056)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		3,445,104	521,250	3,445,104	521,250
Share issue transaction costs		(86,639)	(28,953)	(86,639)	(28,953)
Net cash inflow from financing activities		3,358,465	492,297	3,358,465	492,297
Net increase/(decrease) in cash and cash equivalents		1,853,012	335,779	1,855,314	317,263
Cash and cash equivalents at the beginning of the financial year		418,872	101,719	415,484	98,221
Effect of exchange rates on cash holdings in foreign currencies		-	(18,626)	-	-
Cash and cash equivalents at the end of the financial year	11	2,271,884	418,872	2,270,798	415,484

The accompanying notes form part of these financial statements.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers the consolidated entity of Richfield Group Limited and controlled entities, and Richfield Group Limited as an individual parent entity. Richfield Group Limited is a listed public company, incorporated and domiciled in Australia.

BASIS OF PREPARATION

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Reporting Basis and Conventions

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

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The following Australian Accounting Standards have been issued or amended and are applicable to the parent and consolidated group but are not yet effective. They have not been adopted in the preparation of the financial statements at reporting date.

- AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards (June 2007) incorporates amendments arising from Interpretation 12 Service Concession Arrangements. The entity is not expecting to enter into service concession arrangements in future reporting periods therefore these amendments are not expected to have any impact on the entity's financial report. This standard is applicable for annual reporting periods ending on or after 31 December 2008
- AASB 3 Business Combinations (March 2008) amends how entities account for business combinations and changes in ownership interests in subsidiaries. As the entity has not been a party to any business combination during the year, this standard is not expected to have any impact on the entity's financial report. This standard is applicable for business combinations occurring on or after 30 June 2010.
- AASB 8 Operating Segments replaces the presentation for annual reporting periods beginning on or after 1 January 2009 and it is not expected to have an impact on the financial results of the Company and the Group as the standard is only concerned with disclosures.
- AASB 8 Operating Segments (February 2007) supersedes AASB 114 (September 2005). This standard is a disclosure standard that will result in changes to operating segments disclosures. This standard is applicable for annual reporting periods ending on or after 31 December 2009.
- AASB 101 Presentation of Financial Statements (September 2007) contains a number of changes from the previous AASB 101. These changes do not affect recognition or measurement criteria, therefore the changes are not expected to have any impact on the entity's reported financial position. This standard is applicable for annual reporting periods ending on or after 31 December 2009.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- AASB 123 Borrowing Costs (June 2007) incorporates amendments removing the option to immediately expense borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. As the entity does not have borrowings associated with qualifying assets, these amendments are not expected to have any impact on the entity's financial report. This standard is applicable for annual reporting periods ending on or after 31 December 2009.
- AASB 127 Consolidated and Separate Financial Statements (March 2008) amends how entities account for business combinations and changes in ownership interests in subsidiaries. As the transitional provision of AASB 127 provide that the changes to the recognition and measurement criteria within AASB 127 resulting from this revision do not apply retrospectively to business combinations effected prior to the amendments being adopted, this standard is not expected to have any impact on the entity's financial report. This standard is applicable for annual reporting periods ending on or after 30 June 2010.
- AASB 2008-1 Amendments to Australian Accounting Standard – Share based Payments: Vesting Conditions and Cancellations [AASB 2]. Unless the entity enters into share-based payment transactions in future reporting periods, these amendments are not expected to have any impact on the entity's financial report. This standard is applicable for annual reporting periods ending on or after 30 June 2010.
- AASB 2008-2 Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132, AASB 139 & Interpretation 2]. As the entity has no puttable financial instruments, the changes are not expected to have any impact on the entity's reported financial position. This standard is applicable for annual reporting periods ending on or after 30 June 2010.
- 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 Interpretations 9 & 107]. This standard is applicable for annual reporting periods ending on or after 30 June 2010.
- Interpretation 4 Determining whether an Arrangement contains a Lease (February 2007). Unless the entity enters into service concession arrangements in future reporting periods, these amendments are not expected to have any impact on the entity's financial report. This interpretation is applicable for annual reporting periods ending on or after 31 December 2009.

ACCOUNTING POLICIES

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Richfield Group Limited ("company" or "parent entity") as at 30 June 2008 and the results of all subsidiaries for the year then ended. Richfield Group Limited and its subsidiaries together are referred to in this financial report as the "consolidated entity" or "group".

Subsidiaries are all those entities over which the company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the company controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Richfield Group Limited.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Principles of Consolidation (Cont'd)

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

If applicable, minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

(b) Income Tax

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

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

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

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

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

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

(d) Property, Plant & Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Plant & Equipment

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The cost of fixed assets constructed within the consolidated entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future consolidated benefits 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 depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

CLASS OF FIXED ASSET	DEPRECIATION RATE
Leasehold Improvements	2%
Plant and Machinery	10% - 20%
Office Furniture	6% - 20%
Office Equipment	20%
Motor Vehicles	10% - 30%

The assets' 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. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity 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 consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised as profit or loss.

Classification and Subsequent Measurement

i. Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

v. Financial liabilities

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

vi. Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Richfield Group Limited and Controlled Entities designates certain derivatives as either;

- i. hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- ii. hedges of highly probably forecast transactions (cash flow hedges).

At the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions is documented.

Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items, are also documented.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedge asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred to a hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in the hedge reserve in equity are transferred to the income statement in the periods when the hedged item will affect profit or loss.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assess 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 impairment has arisen. Impairment losses are recognised in the income statement.

(g) Impairment of Assets

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 goodwill and 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.

(h) Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Foreign Currency Transactions and Balances

Functional and presentation currency

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

Transaction and balances

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

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

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

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(j) Employee Entitlements

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, 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.

(k) Cash

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

(l) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

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

Revenue from investment properties is recognised on an accruals basis or straight-line basis in accordance with leases agreements.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

(m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are expensed in the period in which they are incurred.

(n) Trade and Other Creditors

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

(o) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(p) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is determined by dividing the net loss attributable to equity holders of the company, by the weighted average number of ordinary shares outstanding during the year.

(ii) Diluted earnings per share

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

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(r) Going Concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the ordinary course of business and on the assumption of sufficient funds becoming available for the operations of the consolidated entity.

The basis of adopting the going concern assumption is dependent upon the Richfield Group Ltd and controlled entities raising additional funds from debt or equity sources, or operations becoming profitable in the future.

(s) Comparative Figures

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

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) 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

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

2. FINANCIAL RISK MANAGEMENT POLICIES

The group's principal financial instruments comprise mainly of deposits with banks, receivables, payables and available for sale investments.

(a) Treasury Risk Management

Due to the size of the company, responsibility for identification and control of financial risks rests with the board of directors. This includes the use of hedging derivative instruments, credit risk policies and future cash flow requirements. The level of activity during the financial year did not warrant using derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures.

(b) Financial Risk Exposures and Management

The group's activities expose it to financial risks, market risk (including currency risk, fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The level of activity during the financial year did not warrant using derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Where relevant and appropriate, the company will avail itself of appropriate hedging instruments in future financial years.

(i) Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The group has a loan with a related entity during the 2008 year in US currency. This loan is not expected to be repaid as the entity will form part of the consolidated group if the purchase of 75% of Victory West Pty Ltd is pursued.

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2008	2007	2008	2007
	\$	\$	\$	\$
FINANCIAL LIABILITIES				
Loans to other entities	(819,178)	-	(819,178)	-
Net exposure	(819,178)	-	(819,178)	-

(ii) Fair Value Interest Rate Risk

Refer to (d) below.

(b) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Consolidated Entity did not have any material credit risk exposure to any single debtor or group of debtors at balance date.

2. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to fund the Consolidated Entity's activities. The directors regularly monitor the company's cash position and on an on-going basis consider a number of strategic initiatives to ensure that adequate funding continues to be available.

(d) Cash flow and fair value interest rate risk

Due to the company's significant holding of cash and cash equivalents, the group's income and operating cash flows are materially exposed to changes in market interest rates.

At balance date, the group had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2008	2007	2008	2007
	\$	\$	\$	\$
FINANCIAL ASSETS				
Cash and cash equivalents	2,271,884	418,872	2,270,798	415,484
Net exposure	2,271,884	418,872	2,270,798	415,484

(e) Interest rate swaps

Interest rate swap transactions may be entered into by the consolidated group to exchange variable and fixed interest payment obligations to protect long-term borrowings from the risk of increasing interest rates. The consolidated group has no variable or fixed interest rate debt and as such has not needed to enter into any swap contracts. Where relevant and appropriate, the company will avail itself of appropriate swap contracts in future financial years.

(f) Derivative financial instruments

Derivative financial instruments may be used in the future by the consolidated group to hedge exposure to exchange rate risk associated with foreign currency borrowings and interest rate risk associated with movements in interest rates which impact on the borrowings of the consolidated group. Currently there are no derivative financial instruments used by the consolidated group.

(g) Forward exchange contracts

The consolidated group may enter into forward exchange contracts to buy and sell specified amounts of foreign currencies in the future at stipulated exchange rates. The objective in entering the forward exchange contracts is to protect the consolidated group against unfavourable exchange rate movements for both the contracted and anticipated future sales and purchases undertaken in foreign currencies. Currently there are no forward exchange contracts used by the consolidated group.

(h) Net fair values

The net fair values of:

- Term receivables, government and fixed interest securities and bonds are determined by discounting the cash flows, at the market interest rates of similar securities, to their present value.
- Listed investments have been valued at the quoted market bid price at balance date, adjusted for transaction costs expected to be incurred. For unlisted investments where there is no organised financial market, the net fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

2. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

- Other loans and amounts due are determined by discounting the cash flows, at market interest rates of similar borrowings, to their present value.
- Other assets and other liabilities approximate their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments, forward exchange contracts and interest rate swaps.

Financial assets where the carrying amount exceeds net fair values have not been written down as the consolidated group intends to hold these assets to maturity.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

The consolidated group may enter into forward exchange contracts to buy and sell specified amounts of foreign currencies in the future at stipulated exchange rates. The objective in entering the forward exchange contracts is to protect the consolidated group against unfavourable exchange rate movements for both the contracted and anticipated future sales and purchases undertaken in foreign currencies. Currently there are no forward exchange contracts used by the consolidated group.

	2008		2007	
	Carrying amount \$	Net fair value \$	Carrying amount \$	Net fair value \$
FINANCIAL ASSETS				
Available-for-sale financial assets	13,054	13,054	22,378	22,378
Loans and receivables	8,030	8,030	16,766	16,766
	<u>21,084</u>	<u>21,084</u>	<u>39,144</u>	<u>39,144</u>
FINANCIAL LIABILITIES				
Other loans and amounts due	65,442	65,442	176,451	176,451
	<u>65,442</u>	<u>65,442</u>	<u>176,451</u>	<u>176,451</u>

(i) Sensitivity analysis

The group has not performed sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and price risk at balance date as the directors believe that the exposure to these risks at present is minimal.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

4. SEGMENT INFORMATION

There is no reportable segment information as the consolidated entity did not undertake any business activity during the financial year and accordingly, did not derive revenues from sales to external customers.

In the prior financial year there was no reportable segment information as the consolidated entity did not undertake any business activity during the financial year and accordingly, did not derive revenues from sales to external customers.

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2008	2007	2008	2007
	\$	\$	\$	\$
5. REVENUE				
Sale of goods	-	-	-	-
Interest received	32,699	7,162	32,699	7,162
Other revenue	-	33,751	-	33,751
	<u>32,699</u>	<u>40,913</u>	<u>32,699</u>	<u>40,913</u>

6. EXPENSES

(a) Expenses includes the following specific items:

Bad and doubtful debts				
- trade receivables	-	(24,186)	-	-
- wholly owned subsidiaries	-	-	-	(20,056)
Consultancy fees	(103,950)	(10,000)	(103,950)	(10,000)
Directors fees	(56,000)	(43,000)	(56,000)	(43,000)
Foreign currency translation gain/(losses)	-	(4,418)	-	-
Impairment of other financial assets	(9,324)	(14,918)	(9,324)	(14,918)
Legal fees	(20,320)	(3,100)	(20,320)	(3,100)
Loss on disposal of plant and equipment	-	(7,422)	-	(7,422)
Management service fees	(56,009)	(9,903)	(56,009)	(9,903)
Professional fees	(114,289)	(39,223)	(114,289)	(39,223)
Share registry fees	(85,179)	(10,828)	(85,179)	(10,828)
Other expenses	(42,752)	(37,995)	(32,662)	(36,562)
	<u>(487,823)</u>	<u>(204,993)</u>	<u>(477,733)</u>	<u>(195,012)</u>

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2008	2007	2008	2007
	\$	\$	\$	\$
7. INCOME TAX EXPENSE				
(a) Reconciliation of income tax expense to prima facie tax payable:				
Loss from ordinary activities before income tax expense	(455,124)	(179,053)	(445,034)	(154,251)
Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2007: 30%)	(136,537)	(53,716)	(133,510)	(46,275)
Tax effect of amounts which are taxable (deductible) in calculating taxable income:				
- non-deductible expenditure	(410)	3,157	(410)	3,157
- accrued interest receivable	(1,933)	-	(1,933)	-
- write-downs to recoverable amounts	-	-	-	6,017
- impairment expenses	2,797	4,476	2,797	4,476
- transaction costs on equity issue	(7,495)	-	(7,495)	-
- prior year adjustment	(9,396)	-	(9,396)	-
Deferred tax assets not recognised	(152,974) 152,974	(46,083) 46,083	(149,947) 149,947	(32,625) 32,625
Income tax expense	-	-	-	-
Unused tax losses for which no deferred tax asset has been recognized	2,196,021	2,043,046	1,927,542	1,777,594
Potential Tax Benefit at 30%	658,806	612,914	578,263	533,278

The potential tax benefit will only be obtained if:

- the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
 - the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and
 - no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.
- (iv) prior year adjustment made for transaction costs on share issue 16 March 2007 (Note: 18a).

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

8. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Names and positions of consolidated and parent entity key management personnel in office at any time during the financial year are:

Key Management Person	Position
Mr Steven Pynt	Chairman, Non-executive director
Mr Michael Scivolo	Non-executive director
Mr Wayne Knight	Non-executive director – Appointed 3 December 2007
Mr Mark Balfour	Non-executive director – Resigned 3 December 2007
Mr Luke Martino	Company Secretary - Appointed 30 November 2007
Ms Jane Wilder	Company Secretary – Resigned 30 November 2007

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2008	2007	2008	2007
	\$	\$	\$	\$
(b) Compensation				
Short-Term Employee Benefits	-	33,000	-	33,000
Post Employment Benefits*	56,000	10,000	56,000	10,000
	<u>56,000</u>	<u>43,000</u>	<u>56,000</u>	<u>43,000</u>

*The directors have elected to salary sacrifice their fees to superannuation.

The company has taken advantage of the relief provided by Corporations Regulation 2M.6.04 and has transferred the detailed remuneration disclosures to the Directors' Report.

(c) Option holdings

Number of options held by Key Management Personnel

	Balance 1 Jul 07	Received as Compensation	Net Change Other*	Balance 30 Jun 08
Mr S Pynt	-	-	233,000	233,000
Mr M Scivolo	-	-	-	-
Mr W Knight	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>233,000</u>	<u>233,000</u>

(d) Shareholdings

Number of Shares held by Key Management Personnel

	Balance 1 Jul 07	Received as Compensation	Net Change Other*	Balance 30 Jun 08
Mr S Pynt	8,000	-	-	8,000
Mr M Scivolo	-	-	-	-
Mr W Knight	-	-	1,500,000	1,500,000
Total	<u>8,000</u>	<u>-</u>	<u>1,500,000</u>	<u>1,508,000</u>

Shareholdings of key management personnel include those that have been disclosed under representation made to them by the parties within the *AASB 124 - Related Party Disclosures*. The key management personnel have relied upon the representations made as they have no control or influence over the financial affairs of the personally related entities to substantiate the shareholdings declared. When a personally related entity declines to provide shareholding details, the shareholding of that personally related entity is assumed to be nil.

*A rights issue occurred on 28 November 2007 to all shareholders based on 1 ordinary share option at \$0.001 for every 1 share held. Mr S Pynt purchased 8,000 ordinary share options in accordance with the conditions of the rights issue.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2008	2007	2008	2007
	\$	\$	\$	\$
9. AUDITORS' REMUNERATION				
Remuneration of the auditor of the parent entity for:				
- Auditing or reviewing of financial reports	16,500	14,250	16,500	14,250
- Taxation compliance services	-	3,000	-	3,000
- Corporate advisory services	-	7,000	-	7,000
- Other services	4,232	4,537	4,232	4,537
10. EARNINGS PER SHARE				
(a) Reconciliation of earnings to profit or loss				
Loss attributable to ordinary equity holders	(455,124)	(179,053)		
Earnings used to calculate basic and diluted EPS	(455,124)	(179,053)		
	No.	No.		
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	569,264,173	485,049,986		
Weighted average number of options outstanding	289,421,913	-		
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	858,686,086	485,049,986		
11. CASH AND CASH EQUIVALENTS				
Cash at bank and in hand	2,271,884	418,872	2,270,798	415,484
Cash at bank is comprised of "at-call" funds attracting a floating rate of interest of between 0.95% and 4.50%.				
Reconciliation of Cash				
Cash at the end of the financial year as per statements of cash flows is reconciled to items in the balance sheet as follows:				
Cash and at bank and in hand	2,271,884	418,872	2,270,798	415,484
Bank overdrafts	-	-	-	-

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2008	2007	2008	2007
	\$	\$	\$	\$
12. TRADE AND OTHER RECEIVABLES				
Trade receivables	24,186	24,186	-	-
Provision for doubtful debts	(24,186)	(24,186)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other receivables	8,030	16,766	8,030	16,766
Amount receivable from:				
Loans to subsidiaries	-	-	136,423	136,423
Less: Provision for non-recovery	-	-	(136,423)	(136,423)
	<u>8,030</u>	<u>16,766</u>	<u>8,030</u>	<u>16,766</u>

There are no balances within trade and other receivables that contain assets that are not impaired and are past due. It is expected these balances will be received when due. Impaired assets are provided for in full.

13. RECEIVABLES				
Victory West Pty Ltd	278,712	-	278,712	-
Loans to other entities	819,178	-	819,178	-
	<u>1,097,890</u>	<u>-</u>	<u>1,097,890</u>	<u>-</u>

During the year ended 30 June 2008 Richfield Group Limited made advance payments to an Indonesian entity, which is majority owned by Victory West Pty Ltd, that holds interests and mining rights in Indonesia.

Upon successful completion of the Heads of Agreement Richfield Group Limited will own 75% of Victory West Pty Ltd. This agreement did not exist at 30 June 2007 and as such there is no comparative.

14. OTHER FINANCIAL ASSETS				
Available-for-sale financial assets Note 14a	13,054	22,378	13,054	22,378
	<u>13,054</u>	<u>22,378</u>	<u>13,054</u>	<u>22,378</u>

(a) Available-for-sale financial assets comprise

(i) Listed Investments, at fair value				
- Shares in listed corporations	13,054	22,378	13,054	22,378
	<u>13,054</u>	<u>22,378</u>	<u>13,054</u>	<u>22,378</u>

Total available-for-sale financial assets	<u>13,054</u>	<u>22,378</u>	<u>13,054</u>	<u>22,378</u>
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(b) Shares in other related parties

(ii) Unlisted				
Eastern Prime Pte Ltd				
The company has no principal activity as it is dormant and does not trade.				
A controlled entity of Richfield Group Limited				
Richfield Group Limited has a 100% interest in Eastern Prime Pte Ltd				
Investment at cost	-	-	15,000	15,000
Less: Impairment to recoverable amount	-	-	(15,000)	(15,000)

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2008	2007	2008	2007
	\$	\$	\$	\$
14. OTHER FINANCIAL ASSETS (CONT'D)				
(b) Shares in other related parties (cont'd)				
Advanz International Pte Ltd				
The company has no principal activity as it is dormant and does not trade.				
A controlled entity of Richfield Group Limited				
Richfield Group Limited has a 100% interest in Advanz International Pte Ltd				
Investment at cost	-	-	8,000	8,000
Less: Impairment to recoverable amount	-	-	(8,000)	(8,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total shares in other related parties	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

15. CONTROLLED ENTITIES

The Consolidated Entity incorporates the assets, liabilities and results of the following companies:

	Country of Incorporation	Class of Shares	Percentage Owned	
			2008	2007
			%	%
Parent Entity				
Richfield Group Limited	Australia	Ordinary		
Subsidiaries of Richfield Group Limited				
Eastern Prime Corporation Pte Ltd	Singapore	Ordinary	100	100
Advanz International Pte Ltd	Singapore	Ordinary	100	100

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2008	2007	2008	2007
	\$	\$	\$	\$
16. INTANGIBLE ASSETS				
Goodwill on consolidation	19,224	19,224	-	-
Accumulated impairment losses	(19,224)	(19,224)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net carrying value	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total intangibles	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
17. TRADE AND OTHER PAYABLES				
Unsecured liabilities				
Trade payables	65,442	69,419	22,710	26,716
Sundry payables and accrued expenses	26,169	-	26,169	-
Amounts payable to:				
- Other related parties	-	107,032	-	107,032
	<u>91,611</u>	<u>176,451</u>	<u>48,879</u>	<u>133,748</u>
	<u>91,611</u>	<u>176,451</u>	<u>48,879</u>	<u>133,748</u>

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2008	2007	2008	2007
	\$	\$	\$	\$
18. CONTRIBUTED EQUITY				
828,223,865 (2007: 534,176,013) fully paid ordinary shares	12,688,143	9,223,096	12,688,143	9,223,096
	<u>12,688,143</u>	<u>9,223,096</u>	<u>12,688,143</u>	<u>9,223,096</u>
(a) Ordinary Shares				
At the beginning of the reporting period	9,223,096	8,730,799	9,223,096	8,730,799
Share placement (i)	-	521,250	-	521,250
Transaction costs arising on share placement	-	(28,953)	-	(28,953)
Option rights issue placement (ii)	534,176	-	534,176	-
Option rights conversions	2,910,478	-	2,910,478	-
Transaction costs arising on option rights issue placement	(86,639)	-	(86,639)	-
'In specie' distribution (iii)	107,032	-	107,032	-
At reporting date	<u>12,688,143</u>	<u>9,223,096</u>	<u>12,688,143</u>	<u>9,223,096</u>
	No. Shares	No. Shares	No. Shares	No. Shares
At the beginning of reporting period	534,176,013	464,676,013	534,176,013	464,676,013
Share placement (i)	3,000,000	69,500,000	3,000,000	69,500,000
Option conversions	291,047,852	-	291,047,852	-
At reporting date	<u>828,223,865</u>	<u>534,176,013</u>	<u>828,223,865</u>	<u>534,176,013</u>

(i) On 16 March 2007, the company raised \$521,250 (gross) through the placement of 69,500,000 ordinary shares at \$0.0075 per share to sophisticated investors.

(ii) On 28 November 2007 the company raised \$534,176 (gross) through the issue of 534,176,013 ordinary share options at \$0.001 to existing shareholders, exercisable at \$0.01, expiring 21 May 2009.

(iii) On 13 February 2008, 3,000,000 shares in Richfield Group Limited were issued as full consideration for an outstanding loan due of \$107,032

At balance date 243,128,161 share options were outstanding.

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

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

18. CONTRIBUTED EQUITY (CONT'D)

(b) Capital management

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2008	2007	2008	2007
	\$	\$	\$	\$
(c) Capital management				
Total borrowings Note 17	65,442	176,451	22,710	133,748
Less cash and cash equivalents Note 11	(2,271,884)	(418,872)	(2,270,798)	(415,484)
Net debt	(2,206,442)	(242,421)	(2,248,088)	(281,736)
Total equity	3,299,247	281,565	3,340,893	320,880
Total capital	1,092,805	39,144	1,092,805	39,144
Gearing ratio	(202%)	(619%)	(206%)	(720%)

19. RESERVES

Foreign currency translation	5,542	(2,217)	-	-
(a) Foreign Currency Translation Reserve				
Balance at the beginning of the financial year	(2,217)	16,409	-	-
Adjustment arising from the translation of the financial statements of foreign controlled entities	7,759	(18,626)	-	-
Balance at the end of the financial year	5,542	(2,217)	-	-

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

20. ACCUMULATED LOSSES

Accumulated losses at the beginning of the financial year.	(8,939,314)	(8,760,261)	(8,902,216)	(8,747,965)
Loss attributable to members of the parent entity	(455,124)	(179,053)	(445,034)	(154,251)
Accumulated losses at the end of the financial year	(9,394,438)	(8,939,314)	(9,347,250)	(8,902,216)

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

21. CAPITAL & LEASING COMMITMENTS

The company has entered into a Heads of Agreement with Victory West Pty Ltd. Under this agreement Richfield Group Limited has agreed to spend a minimum of \$2,000,000 on expenditure on the licenses within 2 years of the formalisation date (being 20 December 2007). To date Richfield Group Limited has provided \$819,178 leaving a commitment of \$1,180,822 remaining.

22. CONTINGENT ASSETS & LIABILITIES

At balance date there were no contingent assets or liabilities.

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2008	2007	2008	2007
	\$	\$	\$	\$
23. CASH FLOW INFORMATION				
(a) Reconciliation of Loss after Income Tax to Net Cash Outflow from Operating Activities				
Loss after income tax	(455,124)	(179,053)	(445,034)	(154,251)
Bad and doubtful debts	-	-	-	-
Depreciation	-	152	-	152
Net loss on disposal of plant and equipment	-	7,422	-	7,422
Fair value adjustments to listed investments	9,324	14,918	9,324	14,918
<i>Changes in operating assets and liabilities</i>				
<i>(Increase)/decrease in:</i>				
Trade and other receivables	(3,848)	10,255	(3,848)	3,290
Inventories	-	-	-	-
<i>Increase/(decrease) in:</i>				
Trade payables and accruals	42,085	(10,212)	34,297	(26,509)
Net cash outflow from operating activities	<u>(407,563)</u>	<u>(156,518)</u>	<u>(405,261)</u>	<u>(154,978)</u>

24. EVENTS AFTER THE BALANCE SHEET DATE

There has been 7,130,000 Richfield Group Limited options converted to shares subsequent to balance date as at 31 July 2008.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

25. RELATED PARTY TRANSACTIONS

Directors and key management personnel

Disclosures relating to directors and key management personnel are set out in Directors' Report and in note 8.

Purchases

During the year payments of \$71,009 (2007: \$9,903) were made to an entity related to Mr. Mark Balfour for the provision of administrative services, including legal, accounting, secretarial and office rental services. These services were provided on normal commercial terms and conditions and at market rates. There was no outstanding balance at 30 June 2008.

Payments of \$134,500 were made to an entity related to Mr. Luke Martino for the provision of administrative services, including accounting and secretarial services effective from 30 November 2007. These services were provided on normal commercial terms and conditions and at market rates. There was \$17,000 outstanding as at 30 June 2008.

Payments of \$103,950 were made during the 2007 year to Mr. Luke Martino's brother for consulting services provided to the company in relation to the Porphyry Molybdenum acquisition undertaken by the company. These services were provided on normal commercial terms and conditions and at market rates. There was no outstanding balance as at 30 June 2008.

Loans

During the year loans totalling \$278,712 were made to Victory West Pty Ltd of which Mr. Luke Martino's brother is a director. If the purchase of 75% of Victory West Pty Ltd is pursued, Victory West Pty Ltd will form part of the Richfield Group Limited consolidated group.

Transaction details are provided at 25(b) below.

Subsidiaries

Richfield Group Limited is the parent entity in the wholly-owned group comprising the company and its controlled entities. Ownership interests in these controlled entities are set out in note 15.

Aggregate amounts included in the determination of the loss from ordinary activities before income tax that resulted from transactions with entities in the wholly-owned group are disclosed at note 6. Transactions between the parent entity and other entities in the wholly-owned group are reflected in Loans to Subsidiaries (refer note 12).

Transactions between the parent entity and other entities in the wholly-owned group during the year ended 30 June 2008 are summarised below.

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2008	2007	2008	2007
	\$	\$	\$	\$
(a) Loans to subsidiaries				
Balance at the beginning of the financial year	-	-	-	-
Loans advanced	-	-	136,423	136,423
Provision for non-recovery	-	-	(136,423)	(136,423)
Balance at the end of the financial year	-	-	-	-

There are no fixed terms for the repayment of principal on loans advanced by the parent entity and no interest has been charged by the parent on the amounts advanced.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

25. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Related party transaction details

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2008	2007	2008	2007
	\$	\$	\$	\$
Option holdings of Key Management Personnel				
<i>Directors and director-related entities hold directly, indirectly or beneficially as at the reporting date the following equity interests in members of the consolidated entity:</i>				
- Options over ordinary shares exercised	-	-	-	-
- Options over ordinary shares	233,000	-	233,000	-
	<u>233,000</u>	<u>-</u>	<u>233,000</u>	<u>-</u>
Shareholdings of Key Management Personnel				
<i>Directors and director-related entities hold directly, indirectly or beneficially as at the reporting date the following equity interests in members of the consolidated entity:</i>				
- Ordinary shares	1,508,000	8,000	1,508,000	8,000
	<u>1,508,000</u>	<u>8,000</u>	<u>1,508,000</u>	<u>8,000</u>
Assets and liabilities				
<i>Non-current assets</i>				
Loans to other related entities	278,712	-	278,712	-
	<u>278,712</u>	<u>-</u>	<u>278,712</u>	<u>-</u>
Expenses				
<i>Payments made to a director-related entity:</i>				
- Administrative services	205,509	9,903	205,509	9,903
- Consulting services	103,950	-	103,950	-
	<u>309,459</u>	<u>9,903</u>	<u>309,459</u>	<u>9,903</u>
Total expenses	<u>309,459</u>	<u>9,903</u>	<u>309,459</u>	<u>9,903</u>