

Newland Resources Ltd

ACN 009 092 068

Financial Statements

for the

Half-Year ended 31 December 2004

Newland Resources Ltd

Directors' Report

The Directors present their report on the consolidated entity consisting of Newland Resources Ltd and the entities it controlled at the end of or during the half-year ended 31 December 2004.

The names and particulars of directors of the company in office on the day this report is made out are:

Name	Particulars
Kevan L Ashworth	Consultant geologist with wide experience in Europe, Middle East, Malaysia and Latin America. Non-executive director
Lindsay A Colless	Chartered Accountant with many years experience in the minerals and oil industry. Director and/or secretary of a number of listed exploration companies. Non-executive director.
Peter L Munachen	Chartered Accountant with many years experience in the resources industry in Australia. Non-executive director.
Christian R West	Fund manager. Non-executive director

Review Of Operations

The review of the Company's operations during the half-year is as follows:

	Segment Revenue \$	Segment result \$
Mining	-	-
Other	3,372,028	1,090,855
	<u>3,372,028</u>	<u>1,090,855</u>
Unallocated expenses		-
Operating profit (loss)		<u>1,095,855</u>
Income Tax		-
Operating profit (loss) for half-year		<u>1,095,855</u>

Activities

The Company has a significant investment in the management company of a resource investment trust listed on the full board of London Stock Exchange and a significant interest in the management company of a resource finance group listed on the AIM market in UK. There remains a residual interest in a mining operation in Queensland.

Changes In State Of Affairs

During the half year there was no significant change in the Company's state of affairs other than that referred to in the half-year accounts or notes thereto. The Company completed the purchase of a further 5% of Resources Services Ltd and Resources Services (BVI) Ltd by issuing 9,000,000 fully paid ordinary shares on 6 August 2004 taking its total holdings to 100%.

Auditors' Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

This report is made in accordance with a resolution of the directors.

L A Colless
Director

Dated this 4th day of March 2005.

ROTHSAY

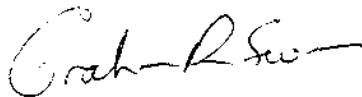
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AUDITORS' SECTION 307C DECLARATION

The Directors

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

- i. no contraventions of the auditor independence requirements of the Act in relation to the review of the 31 December 2004 half yearly financial report; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.



Graham R Swan
Lead Auditor
Rothsay Chartered Accountants

Dated 4th March 2005



Chartered Accountants

Liability limited by the Accountants Scheme, approved
under the Professional Standards Act 1994 (NSW).

ROTHSAY

Level 1, 2 Barrack Street, Sydney NSW 2000 G.P.O. Box 2759, Sydney NSW 2001
Phone 9299 0091 Facsimile 9299 2595 E-mail swan2000@bigpond.com

Independent Review Report To The Members

Scope

We have reviewed the financial statements of Newland Resources Ltd for the half-year ended 31 December 2004 as set out on pages 5 to 10. The company's directors are responsible for the preparation of the financial report, which includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the end of or during the half-year.

We have performed an independent review of the half-year financial report in order for the company to lodge the half-year financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the half-year financial report is free of material misstatement. The review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion. This review was performed in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB1029:Interim Financial Reporting, and other mandatory professional reporting requirements and the Corporations Act, 2001, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of the company is not in accordance with:

- (a) the Corporations Act, 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2003 and of its performance for the half-year ended on that date; and
 - (ii) comply with Accounting Standard AASB1029:Interim Financial Reporting and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.



Rothsay
Chartered Accountants



Graham R Swan
Partner

Dated this 4th day of March 2005



Chartered Accountants

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under the Professional Standards Act 1994 (NSW).

Newland Resources Ltd

Directors' Declaration For The Half-Year Ended 31 December 2004

The directors declare that:

- (a) The attached financial statements and notes thereto comply with Accounting Standards;
- (b) The attached financial statements and notes thereto give a true and fair view of the financial position and performance of the consolidated entity;
- (c) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act, 2001; and
- (d) In the directors' opinion there are reasonable grounds to believe that Newland Resources Ltd 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 directors pursuant to s 303(5) of the Corporations Act, 2001.

On behalf of the Directors

L A Colless
Director

PERTH, 4th day of March 2005

Newland Resources Ltd

Condensed Consolidated Statement of Financial Performance

For The Half-Year Ended 31 December 2004

	Note	Consolidated Half-year ended 31 Dec 2004 \$	Consolidated Half-year ended 31 Dec 2003 \$
Revenue from ordinary activities		3,372,028	789,514
Expenses from ordinary activities		(2,281,173)	(732,495)
Profit from ordinary activities before income tax		1,090,855	57,019
Income tax		-	-
Profit from ordinary activities for half-year		1,090,855	57,019
Foreign exchange loss		(10,584)	
Write down of goodwill		(601,021)	
Accumulated losses brought forward		(12,355,056)	(12,908,956)
Accumulated losses at end of half-year		(11,875,806)	(12,851,937)
Earnings per share - basic	6	\$0.007	\$0.0007

Consolidated Statement of Financial Position

As at 31 December 2004

	Consolidated Half-year ended 31 Dec 2004 \$	Annual Report 30 Jun 2004 \$	Consolidated Half-year ended 31 Dec 2003 \$
Current Assets			
Cash	1,605,057	2,118,133	193,815
Receivables	1,664,019	844,608	85,563
Total Current Assets	3,269,076	2,962,741	279,378
Non-Current Assets			
Plant & equipment	29,248	35,018	-
Investments	2,769,609	2,242,695	6,232,740
Total Non-Current Assets	2,798,857	2,277,713	6,232,740
Intangibles			
Goodwill on purchase of subsidiaries	3,501,360	3,647,443	-
Total intangibles	3,501,360	3,647,443	-
Total Assets	9,569,293	8,877,897	6,512,118
Current Liabilities			
Accounts payable	1,351,629	1,543,600	81,703
Provision for Company Tax	361,118	382,700	-
Total current liabilities	1,712,747	1,926,300	81,703
Total Liabilities	1,712,747	1,926,300	81,703
Net Assets	7,856,546	6,961,597	6,430,415
Shareholders' Equity			
Contributed equity	19,732,352	19,282,352	19,282,352
Accumulated losses	(11,875,806)	(12,355,056)	(12,851,937)
	7,856,546	6,927,296	6,430,415
Minorities	-	34,301	-
Total Shareholders' Equity	7,856,546	6,961,597	6,430,415

The above consolidated statements of financial position and financial performance should be read in conjunction with the accompanying notes.

Newland Resources Ltd

Consolidated Statement of Cash Flows

For The Half-Year Ended 31 December 2004

	Current Half Year \$	Corresponding Half-year \$
Cash Flows Related To Operating Activities		
Revenue from customers	757,482	101,724
Payments to suppliers	(1,049,972)	(24,867)
Interest and other items of a similar nature received	31,942	4,408
Net Operating Cash Flows	(260,548)	81,265
Cash Flows Related To Investing Activities		
Proceeds sales of investments	1,943,636	683,382
Expenditure on investments	(1,373,778)	(695,808)
Net Investing Cash Flows	569,858	(12,426)
Cash Flows Related To Financing Activities		
Proceeds from share issues	-	-
Loans to other corporations	(704,150)	-
Net Financing Cash Flows	(704,150)	-
Net Increase (Decrease) In Cash Held	(394,840)	68,839
Cash at beginning of half year	2,118,133	124,976
Forex adjustment to opening balance	(118,236)	-
Cash At End Of Half Year	1,605,057	193,815

The above consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to and Forming Part of the Financial Statements

For the Half-Year ended 31 December 2004

1. Basis of Preparation of Half-Year Financial Statements

These general purpose consolidated financial statements for the half-year ended 31 December 2004 have been prepared in accordance with Accounting Standard AASB 1029:Interim Financial Reporting, and other mandatory professional reporting requirements. It is recommended that this report should be read in conjunction with the Annual Report for the year ended 30 June 2004 and any public announcements made by Newland Resources Ltd during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act, 2001.

The accounting policies have been consistently applied with those of the previous financial year and corresponding half-year.

For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

2. International Financial Reporting Standards

For reporting periods beginning on or after 1 January 2005, the consolidated entity must comply with Australian equivalents to International Financial Reporting Standards (AIFRS) as issued by the Australian Accounting Standards Board.

This half-year financial report has been prepared in accordance with Australian accounting standards and other financial reporting requirements (Australian GAAP) applicable for reporting periods ending on 31 December 2004.

Implementation Project

The Board have established a formal implementation project, monitored by a steering committee, to assess the impact of transition to AIFRS and to achieve compliance with AIFRS reporting for the year commencing 1 July 2005. The implementation project consists of three phases: Assessment and planning; Design; and Implementation.

Newland Resources Ltd

Notes to and Forming Part of the Financial Statements

For the Half-Year ended 31 December 2004

Assessment and planning phase

The assessment and planning phase generated a high level overview of the impacts of conversion to AIFRS on existing accounting and reporting policies and procedures, systems and processes, business structures and staff. This phase included:

- identification of the key differences in accounting policies and disclosures that are expected to arise from adopting AIFRS
- assessment of the new information requirements affecting management information systems
- provision of training to all relevant staff
- preparation of a conversion plan for expected changes to accounting policies, reporting structures, systems and accounting processes

The assessment and planning phase is completed in most respects as at 31 December 2004.

Design phase

The design phase aims to formulate the changes required to existing accounting policies, procedures and systems in order to make the transition to AIFRS.

The design phase incorporates:

- formulating revised accounting policies and procedures for compliance with AIFRS requirements
- identifying potential financial impacts as at the transition date and for subsequent reporting periods prior to adoption of AIFRS
- developing revised AIFRS disclosures
- sourcing training programs for staff

The design phase is expected to be completed by 30 June 2005.

Implementation phase

The implementation phase will include implementation of identified changes to accounting and business procedures, processes and systems. It will enable the consolidated entity to generate the required disclosures of AASB1 as it progresses through its transition to AIFRS.

This phase is expected to be substantially complete by 30 June 2005.

Impact of transition to AIFRS

The differences between Australian Generally Accepted Accounting Principles (Australian GAAP) and Australian equivalents to International Financial Reporting Standards (AIFRS) identified to date as potentially having a significant impact on the consolidated entity's financial performance and financial position are summarised below. The summary should not be taken as an exhaustive list of all differences between current Australian GAAP and AIFRS. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented.

Equity Based Compensation

Difference identified – currently, there is no charge to the Statement of Financial Performance in relation to the issue of options under the plan.

Ongoing impact – in future years, if the current option plan arrangements remain in place, employee benefit expenses will increase due to the expensing of the fair value of options over the vesting period.

Income Tax

Difference identified - accounting treatment changes from income statement liability approach to a balance sheet approach.

Ongoing impact – additional deferred tax assets may be recognized as a result of the change in recognition criteria to “probable” rather than “virtually certain” or “beyond reasonable doubt”.

Provisions

Difference identified - restoration and rehabilitation must be recognised on acquisition of an asset.

Ongoing impact – fixed assets and provisions will be recognized in the balance sheet which will lead to an increased depreciation charge.

Newland Resources Ltd

Notes to and Forming Part of the Financial Statements

For the Half-Year ended 31 December 2004

Impairment

Difference identified - discounting is required in assessing recoverable amount.

Ongoing impact - impairment testing is required to be performed at an asset or cash generating level, which is at a lower level than performed previously. The impact of a more rigorous impairment test may result in additional write downs.

Financial Instruments

Difference identified - recognition of all financial assets and liabilities will be recorded at fair value.

Ongoing impact - this may result in an increase in total assets and total liabilities

3. Revenue and Expense

Operating profit before income tax is arrived at after:

	Current half-year \$	Previous Corresponding half-year \$
a) crediting interest as revenue	31,942	4,408
b) charging interest as expense	-	-
c) depreciation	(3,794)	-

4. Reconciliation of cash

Cash at the end of the half-year as shown in the statement of cash flows is reconciled to the related items in the accounts as follows:

Cash on hand and at bank	1,605,057	193,815
	<u>1,605,057</u>	<u>193,815</u>

5. Issued and quoted securities at end of current half-year

Category of Securities	Number Issued	Number Quoted	Uncalled Amount Cents	Paid-Up Value Cents
Ordinary Shares:	163,777,571	163,777,571		
	-	-	-	-
Of which issued during half-year	9,000,000	-	-	3
Options:			Exercise Price	Expiry Date
	350,000	Nil	\$0.80	01/02/05
	100,000	Nil	\$0.80	06/02/05
	500,000	Nil	\$1.00	31/05/05
Of which exercised during half-year	-	-	-	-
Expired during half-year				
	20,000	Nil	\$0.50	30/09/04
	1,000,000	Nil	\$0.50	09/12/04
	500,000	Nil	\$0.50	12/12/04
	1,350,000	Nil	\$0.50	16/12/04

Newland Resources Ltd

Notes to and Forming Part of the Financial Statements

For the Half-Year ended 31 December 2004

6. Earnings per share

	Current half-year	Previous Corresponding half-year
Basic earnings per share	\$0.007	\$0.0007
The weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	162,007,079	81,668,875
Diluted earnings per share are not materially different from basic earnings per share and has therefore not been disclosed.		

7 Segmental information

The Company operates in United Kingdom predominantly in the area of provision of financial funds management in the resources industry and in Australia in investment in the resources industry.

8. Subsequent Events

No matter or circumstance has arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Company, the results of the Company, or the state of affairs of the Company as reported to the half-year ended 31 December 2004.