

New Millenium Publications Limited

A.B.N. 71 007 016 202

FINANCIAL REPORT  
FOR THE PERIOD ENDED  
31ST DECEMBER 2004

**New Millenium Publications Limited**

**A.B.N. 71 007 016 202**

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## New Millenium Publications Limited

STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE HALF YEAR ENDED 31ST DECEMBER 2004

	Note	31 Dec 2004 \$	30 June 2004 \$
<b>CLASSIFICATION OF EXPENSES BY NATURE</b>			
Revenues from ordinary activities	2	620,628	660,766
Changes in inventories of finished goods and work in progress		(134,298)	169,500
Raw materials and consumables used		(227,877)	(610,998)
Employee benefits expense		(388,129)	(60,742)
Depreciation and amortisation expenses	3	(16,012)	(24,733)
Borrowing costs expense	3	(29,221)	(69,891)
Other expenses from ordinary activities		(312,273)	(405,550)
		<u>          </u>	<u>          </u>
Profit from ordinary activities before income tax expense	3	<u>(487,182)</u>	<u>(341,648)</u>

The accompanying notes form part of these financial statements.

## New Millenium Publications Limited

STATEMENT OF FINANCIAL POSITION  
AS AT 31ST DECEMBER 2004

	Note	31 Dec 2004 \$	30 June 2004 \$
<b>CURRENT ASSETS</b>	7	398	398
Cash assets	8	246,598	282,494
Receivables	9	98,202	232,500
Inventories		<u>345,198</u>	<u>515,392</u>
<b>TOTAL CURRENT ASSETS</b>			
<b>NON-CURRENT ASSETS</b>	10	38,530	42,968
Property, plant and equipment	11	740,397	746,827
Intangible assets		<u>778,927</u>	<u>789,795</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,124,125</u>	<u>1,305,187</u>
<b>TOTAL ASSETS</b>			
<b>CURRENT LIABILITIES</b>	12	185,964	155,327
Payables	13	306,992	165,693
Interest bearing liabilities	14	12,549	10,360
Provisions		<u>505,505</u>	<u>331,380</u>
<b>TOTAL CURRENT LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>	13	457,348	325,353
Interest bearing liabilities		<u>457,348</u>	<u>325,353</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>962,853</u>	<u>656,733</u>
<b>TOTAL LIABILITIES</b>			
<b>NET ASSETS</b>		<u>161,272</u>	<u>648,454</u>
<b>EQUITY</b>	15	930,400	930,400
Contributed equity	6	410,000	410,000
Reserves	5	1,179,128	691,946
Accumulated losses		<u>161,272</u>	<u>648,454</u>
<b>TOTAL EQUITY</b>			

The accompanying notes form part of these financial statements.

## New Millenium Publications Limited

STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31ST DECEMBER 2004

	31 Dec 2004 \$	30 June 2004 \$
<b>Cash Flows From Operating Activities</b>		
Receipts from Customers	663,600	511,547
Interest Received	102	5,091
Payment to Suppliers & Employees	(900,334)	(1,016,777)
Borrowing Costs Paid	(29,221)	(69,891)
<b>Net cash provided by (used in) operating activities</b>	<b>(265,853)</b>	<b>(570,030)</b>
<b>Cash Flows from Investing Activities</b>		
Payment for Plant & Equipment	(5,144)	(34,995)
<b>Net cash provided by (used in) investing activities</b>	<b>(5,144)</b>	<b>(34,995)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from Issue of Shares	-	930,012
Payment for Share Issue Costs	-	(92,490)
Proceeds from Borrowings	335,000	181,339
Repayment of Borrowings	(33,876)	(511,531)
Receipts from Advances	(2,297)	6,906
<b>Net cash provided by (used in) financing activities</b>	<b>298,827</b>	<b>514,236</b>
<b>Net increase (decrease) in cash held</b>	<b>27,830</b>	<b>(90,789)</b>

The accompanying notes form part of these financial statements.

## New Millenium Publications Limited

STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31ST DECEMBER 2004

	31 Dec 2004 \$	30 June 2004 \$
<hr/> <b>Notes to the Statement of Cash Flows</b> <hr/>		
<b>Reconciliation of Cash</b>		
Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash at Bank	(86,992)	(114,822)
 <b>Reconciliation of Net Cash provided by Operating Activities to profit from ordinary activities after Income Tax</b>		
Operating profit (loss) after income tax	(487,182)	(341,648)
 <b>Non-cash flows in Profit(Loss) from Ordinary Activities:</b>		
Depreciation	9,582	11,873
Doubtful Debts	-	30,000
Goodwill Written Off	6,430	12,860
Charges to Provisions	2,189	(9,640)
 <b>Changes in Assets and Liabilities:</b>		
Decrease (Increase) in Current Inventories	134,298	(154,500)
Decrease (Increase) in Current Receivables	38,193	(138,922)
Increase (Decrease) in Trade Creditors	30,637	19,947
<b>Cash flows from operations</b>	<u>(265,853)</u>	<u>(570,030)</u>

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31ST DECEMBER 2004

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**1 Statement of Significant Accounting Policies**

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report is for the entity New Millenium Publications Limited as an individual entity. New Millenium Publications Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report has been prepared on an accrual basis and is based on historical costs. It does not take into account changing money values, or except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**Income Tax**

The company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any permanent differences.

Timing differences, which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income, are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

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 company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31ST DECEMBER 2004

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**Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

**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 of those assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

**Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge.

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

Class of Fixed Asset	Depreciation Rate
Motor Vehicles	20.0 - 25.0%
Office Furniture and Equipment	30.0 - 58.3%
Furniture and Fittings	10.0 - 25.0%



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FOR THE HALF YEAR ENDED 31ST DECEMBER 2004

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**Intangibles**

**Goodwill**

Goodwill is initially recorded at the amount by which the purchase price for a business exceeds the fair value attributed to its net tangible assets at the date of acquisition. Purchased goodwill is amortised on a straight line basis over the period of 20 years. The balance is reviewed annually and any balance representing future benefits the realisation of which is considered to be no longer probable are written off.

**Mastheads**

Mastheads are valued in the accounts at independent valuation and are not amortised over their estimated useful life.

**Foreign Currency Transactions and Balances**

Foreign currency transactions during the period are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted to the rates of exchange ruling at that date.

The gains and losses from conversion of assets and liabilities, whether realised or unrealised, are included in profit from ordinary activities as they arise.

The assets and liabilities of overseas controlled entities, which are self-sustaining, are translated at year-end rates and operating results are translated at rates ruling at the end of each month. Gains and losses arising on translation are taken directly to the foreign currency translation reserve.

Exchange differences arising on hedged transactions undertaken to hedge foreign currency exposures, other than those for the purchase and sale of goods and services, are brought to account in the Statement of Financial Performance when the exchange rates change. Any material gain or loss arising at the time of entering into hedge transaction is deferred and brought to account in the Statement of Financial Performance over the lives of the hedges.

Costs or gains arising at the time of entering hedge transactions for the purchase and sale of goods and services, and exchange differences that occur up to the date of purchase or sale, are deferred and included in the measurement of the purchase or sale.

Gains and losses from speculative foreign currency transactions are brought to account in the Statement of Financial Performance when the exchange rate changes.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31ST DECEMBER 2004

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**Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the company are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are depreciated over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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 received under operating leases are recognised as a liability. Lease payments received reduced the liability.

**Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other 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.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**Cash**

For purposes of the statement of cash flows, cash includes deposits at call with financial institutions and other highly liquid investments with maturity within less than 3 months which are readily convertible to cash on hand at the investor's opinion and are subject to an insignificant risk of changes in value, and borrowings which are integral to the cash management function and which are not subject to a term facility.

**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.

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

**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 assets or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED ECEMBER 2004**

	31 Dec 2004 \$	30 June 2004 \$
<b>2 Revenue</b>		
<b>Operating activities</b>		
Sale of goods	620,526	654,809
Interest	102	5,957
	<u>620,628</u>	<u>660,766</u>
<b>Interest from:</b>		
Other Corporations	102	5,957
<b>3 Profit from Ordinary Activities</b>		
Profit from ordinary activities before income tax expense has been determined after:		
<b>Expenses:</b>		
Cost of sales	362,175	441,498
Borrowing costs	29,221	69,891
Other Persons/Corporations	<u>29,221</u>	<u>69,891</u>
Total borrowing costs	<u>29,221</u>	<u>69,891</u>
Depreciation of non-current assets		
Depreciation	9,582	11,873
Total depreciation	<u>9,582</u>	<u>11,873</u>
Amortisation of non-current assets		
Goodwill	6,430	12,860
Total amortisation	<u>6,430</u>	<u>12,860</u>
Bad and doubtful debts		
Bad Debts Written Off	22,750	-
Doubtful Debts	-	30,000
Total bad and doubtful debts	<u>22,750</u>	<u>30,000</u>
Remuneration of auditor		
Auditing the financial report	3,400	3,000
Other Services	10,000	11,700
	<u></u>	<u></u>
Foreign currency translation		
Foreign Currency Exchange Loss	572	-

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31ST DECEMBER 2004

	31 Dec 2004 \$	30 June 2004 \$
<b>4 Income Tax Expense</b>		
Income tax expense attributable to:		
Profit from ordinary activities before income tax	-	-
	<u>-</u>	<u>-</u>
<b>5 Retained Profits</b>		
Retained profits (accumulated losses) at the beginning of the financial year	(691,946)	(350,298)
Net profit attributable to members of the company	(487,182)	(341,648)
Retrospective adjustment(s) upon introduction of accounting standard(s):		
	<u>-</u>	<u>-</u>
Retained profits (accumulated losses) at the end of the financial year	(1,179,128)	(691,946)
	<u>(1,179,128)</u>	<u>(691,946)</u>
<b>6 Reserves</b>		
Asset revaluation reserve	410,000	410,000
	<u>410,000</u>	<u>410,000</u>
<b>Asset revaluation reserve</b>		
Movements during the year:		
Opening Balance for the year	410,000	410,000
	<u>410,000</u>	<u>410,000</u>
<b>7 Cash Assets</b>		
Cash on Hand	398	398
	<u>398</u>	<u>398</u>
<b>8 Receivables</b>		
CURRENT		
Trade Debtors	271,953	311,628
Less: Provision for Doubtful Debts	30,000	30,000
	241,953	281,628
	<u>241,953</u>	<u>281,628</u>
Loans to Employees	2,297	-
Other debtors	2,348	866
	246,598	866
	<u>246,598</u>	<u>866</u>

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**FOR THE HALF-YEAR ENDED 31ST DECEMBER 2004**

	31 Dec 2004 \$	30 June 2004 \$
<b>9 Inventories</b>		
CURRENT		
Work in Progress	98,202	232,500
At net realisable value		
	<u>          </u>	<u>          </u>
<b>10 Property, Plant and Equipment</b>		
Land and Buildings		
Office Furniture & Equipment	70,424	65,280
Less: Accumulated Depreciation	31,894	22,312
	<u>          </u>	<u>          </u>
	38,530	42,968
	<u>          </u>	<u>          </u>
<b>Total Plant and Equipment</b>	<u>          </u>	<u>          </u>
	38,530	42,968

**Movements in Carrying Amounts:**

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

	Freehold Land \$	Buildings \$	Plant and Equipment \$	Leased Plant and Equipment \$	Total \$
Balance at beginning of year	-	-	42968	-	42968
Additions	-	-	5144	-	5144
Depreciation expense	-	-	(9582)	-	(9582)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Carrying amount at the end of year	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	-	-	38530	-	38530
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>11 Intangible Assets</b>					
Goodwill			257,197		257,197
Less Accumulated Amortisation			19,290		12,860
			<u>          </u>		<u>          </u>
			237,907		244,337
			<u>          </u>		<u>          </u>
Mastheads			410,000		410,000
Formation Expenses			92,490		92,490
			<u>          </u>		<u>          </u>
			740,397		746,827
			<u>          </u>		<u>          </u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31ST DECEMBER 2004**

	31 Dec 2004 \$	30 June 2004 \$
<b>12 Payables</b>		
CURRENT		
Customer Deposits	2,750	19,864
Trade Creditors	117,209	86,948
Other Creditors	35,707	24,012
Input Tax Credits	(10,256)	(2,533)
GST Payable	9,194	10,691
Amounts Withheld	31,360	16,345
	<u>185,964</u>	<u>155,327</u>
<b>13 Interest Bearing Liabilities</b>		
CURRENT		
Bank Overdraft	87,390	115,218
Hire Purchase Liability	9,602	8,475
Loans - Bank	60,000	42,000
Convertible Note	150,000	-
	<u>306,992</u>	<u>165,693</u>
NON-CURRENT		
Convertible Note	-	150,000
Hire Purchase Liability	14,732	19,833
Loans - Bank	307,616	155,520
Loans - Secured	135,000	-
	<u>457,348</u>	<u>325,353</u>
Bank loans are expected to be settled: within 12 months	<u>60,000</u>	<u>42,000</u>
Total current and non-current secured liabilities:		
Bank overdraft	87,391	115,220
Bank loans	367,615	197,518
	<u>455,006</u>	<u>312,738</u>

All borrowings from the bank are secured by a guarantee provided by Nathan Nissen, a non executive director of the company.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31ST DECEMBER 2004

	31 Dec 2004 \$	30 June 2004 \$
<b>14 Provisions</b>		
CURRENT		
Provision for Holiday Pay	12,549	10,360
Aggregate employee benefit liability	12,549	10,360
Number of employees at year end	8	8
<b>15 Contributed Equity</b>		
<b>Paid Up Capital:</b>		
11,140,000 Fully Paid Ordinary Shares	930,400	930,400
<p>Ordinary shares participate in dividends and the proceeds on winding up in proportion to the number of shares held.</p> <p>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.</p> <p>The company has issued a convertible note to the value of \$150,000. The repayment date is 31st December 2005. The holder of the note can convert the note into ordinary shares of the company at a exercise price of \$0.20 on or before the 31st December 2005.</p> <p>At balance date share options existed which if exercised would result in the issue of 8,000,000 (2004: Nil) fully paid ordinary shares. The exercise price is \$0.25.</p> <p>The options are exercisable before 30th April 2008 at the discretion of the option holder.</p>		
<b>16 Capital and Leasing Commitments</b>		
Finance Lease Commitments		
Payable		
Not later than one year	14,686	14,686
Later than one year but not later than two years	14,686	27,186
Later than two years but not later than five years	2,481	9,824
	31,853	51,696
Less: Future Finance Charges	7,518	10,888
Total Lease Liability	24,335	40,808



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31ST DECEMBER 2004**

	31 Dec 2004 \$	30 June 2004 \$
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable		
Not later than one year	27,830	29,550

**17 Related Party Transactions**

During the period the company borrowed \$135,000 from Nathan Nissen a director of the company. The loan is interest free and repayable at call.

Nathan Nissen holds a fixed and floating debenture charge over the assets of the company to secure this loan and the guarantee he has provided the bank to secure the company's bank borrowings. The maximum liability under this charge is \$ 600,000.

**18 Remuneration and Retirement Benefits**

**Directors' Remuneration:**

Income paid or payable to all directors of the company by the company and any related parties

70,000                      113,624

Number of directors whose income from the company or any related parties was within the following bands:

	No.	No.
\$10,000 - \$19,999	-	1
\$70,000 - \$79,999	1	-
\$100,000 - \$109,999	-	1

The names of directors who have held office during the financial year are:

Nathan Nissen  
Daniel Nissen  
Robert Brett

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**NOTES TO THE FINANCIAL STATEMENTS**  
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	31 Dec 2004 \$	30 June 2004 \$
<b>Retirement and Superannuation Payments:</b>		
Amounts of a prescribed benefit given during year by the company or a related party to a director or prescribed superannuation fund in connection with the retirement from a prescribed office	6,300	9,257

Full particulars are not provided as the directors believe this would be unreasonable.

**19 Segment Reporting**

The company operates in the publishing industry in Australasia and Asia.

**20 Financial Instruments**

**Interest Rate Risk**

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate on those financial assets and financial liabilities, is as follows:

	<b>Weighted Average Effective Interest Rate</b>		<b>Floating Interest Rate</b>	
	31 Dec 2004 %	30 June 2004 %	31 Dec 2004 \$	30 June 2004 \$
<b>Financial Liabilities</b>				
Bank Overdraft Secured	9.15	8.25	87,391	115,220
Bank Loan Secured	8.25	8.25	-	-
Lease Liabilities	25.00	25.00	-	-
Convertible Note	10.00	10.00	-	-
<b>Total Financial Liabilities</b>			<u>87,391</u>	<u>115,220</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31ST DECEMBER 2004**

	Fixed Interest Rate Maturing		1 - 5 Years	
	Within Year			
	31 Dec 2004 \$	30 June 2004 \$	31 Dec 2004 \$	30 June 2004 \$
<b>Financial Liabilities</b>				
Bank Loan Secured	60,000	42,000	307,615	155,518
Lease Liabilities	9,602	8,475	14,732	19,833
Convertible Note	150,000	-	-	150,000
<b>Total Financial Liabilities</b>	<b>219,602</b>	<b>50,475</b>	<b>322,347</b>	<b>325,351</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 of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to and forming part of the financial statements.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

**Net Fair Values**

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the principal intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes

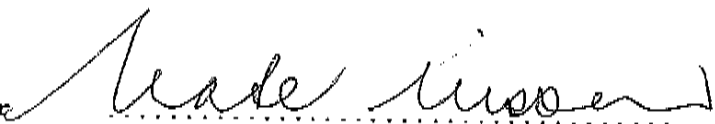
(a) comply with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations; and

(b) give a true and fair view of the financial position as at December 31 2004 and of the performance for the half-year period ended on that date of the company.

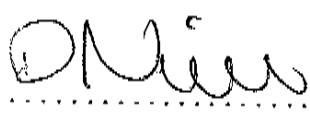
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director

  
.....  
Nathan Nissen

Director

  
.....  
Daniel Nissen

Dated this 11th day of March 2005

To the members of New Millenium Publications Limited

Scope

We have reviewed the financial report of New Millenium Publications Limited for the half-year ended 31 December 2004. The financial report comprises the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows, accompanying notes to the financial statements and the Directors' Declaration.

The disclosing entity's directors are responsible for the financial report. We have performed an independent review of the financial report 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 AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the disclosing entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the disclosing entity's 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 is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of New Millenium Publications Limited is not in accordance with:

(a) the *Corporations Act 2001*, including:

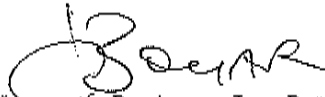
(i) giving a true and fair view of the company's financial position as at 31 December 2004 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and

(b) Other mandatory professional reporting requirements in Australia.

Boyar Partners

Chartered Accountants



Name of Partner Joe Boyar

92 Union St Armadale, Vic,

Dated this 16th day of March 2005