

New Millenium Publications Limited

A.B.N. 71 007 016 202

FINANCIAL REPORT
FOR THE YEAR ENDED
30TH JUNE 2004

New Millenium Publications Limited

A.B.N. 71 007 016 202

CONTENTS

Directors' Report

Statement of Financial Performance

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Directors' Declaration

Anditors' Report

Detailed Profit and Loss Statement

New Millenium Publications Limited
A.B.N. 71 007 016 202

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30th June 2004.

Directors

The names of the directors in office at any time during or since the end of the year are:

Nathan Nissen
Daniel Nissen
Georgia Nissen
Robert Brett

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating results

The loss of the company for the financial year after providing for income tax amounted to \$341,648.

Principal Activities

The Principal activities of the company were to produce and distribute hard cover tourist publications to five and four star hotel properties in Australia, New Zealand and Singapore. The company also produced an in-house magazine for the Starwood Pacific Division and a Lifestyle magazine for Queensland.

A significant change in the nature of these activities occurred during the year whereby the company entered the magazine newsstand market.

Review of Operations

A review of the operations of the company during the financial year and the results of those operations found that:

The Company converted to a public company during the year and became a publicly listed company on the Newcastle Stock Exchange. During the year the Company devoted resources to the development of several new publications, In reporting the loss for the year a number of non recurring expenses were incurred as follows:

Development of new publications

Share Issue expenses

Extensive Advertising and promotion campaign in Queensland and Singapore

Staff recruiting costs

Establishment of offices in Brisbane and the Gold Coast.

Likely Developments

The Board and Management expect that revenue will increase significantly as the result of the successful launch and establishment of Aura - the lifestyle magazine for Queensland. We expect that sales will be over \$2,000,000 for the year ending June 2005 compared with \$654,809 in 2004 .

The Directors are confident that the Company is now positioned to go forward and benefit financially from the platforms established during the previous twelve months. The Directors are pleased that all the objectives have been met. The 1st edition of Destinations Singapore has been delivered to the Singapore Hotels. Stardom the in-house magazine for Starwood Pacific Hotels and Resorts has been delivered to all the Hotel properties with in the region. Aura the new lifestyle magazine for Queensland has been successfully launched and the 2nd issue is due for distribution into News Agents and Hotels in early November 2004.

Dividends Paid or Recommended

No dividends were paid during the year and no recommendation is made as to dividends.

Information on Directors

Nathan Nissen, Chairman (Non Executive) and Director of the Company since 1988. Holds 5,500,000 ordinary shares in the Company and options to acquire a further 5,500,000 ordinary shares.

Daniel Nissen, Managing Director and Director of the Company since 2000. Holds 500,000 ordinary shares in the Company and options to acquire a further 500,000 ordinary shares.

Robert Brett appointed a Director (Non Executive) in November 2003. Holds 500,000 ordinary shares in the Company and options to acquire a further 1,000,000 ordinary shares.

Meetings of Directors

During the financial year 5 meetings of Directors were held. Attendances by each Director during the year were:

	Directors Meeting		Audit Committee	
	Num elig to attend	Num att	Num elig to attend	Num att
Nathan Nissen	6	6	-	-
Daniel Nissen	6	6	1	1
Robert Brett	4	3	-	-
Julian Millman	-	-	1	1

Options

Options that were granted over unissued shares or interest during or since the financial year by the Company or controlled entity to Directors.

Options granted include:-

5,500,000 options granted to Mr N Nissen at an exercise price of \$0.25
500,000 options granted to Mr D Nissen at an exercise price of \$0.25
1,000,000 options granted to Mr R Brett at an exercise price of \$0.25

The options granted are exercisable on or before 30 April 2008.

At the date of this report, the unissued ordinary shares of New Millenium Publications Listed Public Limited under option are as follows:-

Grant date	Date of Expiry	Exercise Price	Number under Option
08/01/2004	30/04/2008	\$0.25	8,000,000

Directors Emoluments

The Chairman of the Company, Nathan Nissen, did not receive any benefits or Directors Fees. Nathan Nissen has provided security to guarantee all bank borrowings of the Company. Robert Brett a Non executive Director did not receive any benefits or Directors Fees.

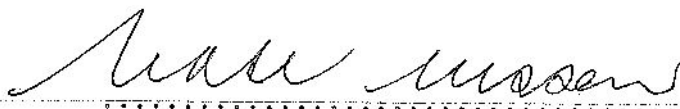
Daniel Nissen's emoluments are disclosed in the notes to the accounts.

Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

Signed in accordance with a resolution of the Board of Directors:

Director



Nathan Nissen

Director



Daniel Nissen

Dated this 29th day of September 2004

New Millenium Publications Limited
ABN 71 007 016 202

CORPORATE GOVERNANCE STATEMENT

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2004.

Board Composition

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and the term of office are detailed in the director's report.

The names of the independent directors are:

Robert Brett

When determining whether a non-executive director is independent the director must not fail any the following materiality thresholds:

Less than 10% of company shares are held by the director and the entity or individual directly or indirectly associated with the director.

No sales are made to or purchases made from any entity or individual directly or indirectly associated with the director, and

None of the directors income or the income of an individual or entity directly or indirectly associated with the director is derived from a contract with any member of the economic entity other than income derived as a director of the entity.

Independent directors have the right to seek independent professional advice furtherance of their duties as directors at the company's expense. Written approval must be obtained from the chairman prior to incurring any expense on behalf of the company

Trading Policy

The company's policy regarding directors and employees trading in its securities, is set by the directors finance committee. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

Audit Committee

The names and qualifications of those appointed to the audit committee and their attendance at meetings of the committee are included in the director's report.

Performance Evaluation

No performance evaluation has been conducted,

Remuneration Policies

The remuneration policy, which sets the terms and conditions for the chief executive officer and the other senior executives, was developed by the board. All executives receive a base salary, superannuation, fringe benefits, performance incentives and retirement benefits. The board remuneration committee reviews executive packages annually by reference to company performance, executive performance, comparable information from industry sectors and other listed companies and independent advice. The performance of executives is measured against criteria agreed half yearly which is based on the forecast growth of the company's profits and shareholders value. This policy is designed to attract the highest caliber executives and reward them for performance which results in long-term growth for the shareholder value

Executives are also entitled to participate in the employees share and option arrangements.

The amount of remuneration for all directors, including monetary and non-monetary components is detailed in the financial report. All remunerations paid to executives are valued at the cost to the company expensed.

The board expects that the remuneration structure implemented will result in the company being able to attract and retain the best executives to run the economic entity, it will also provide executives with the necessary incentives to work to grow the long-term shareholder value. The policy complies with the four key principles of IFSA Guidance Note 02-16.

The payment of bonuses, stock options and other incentive payments are reviewed by the remuneration committee annually as part of the review of executive remuneration and a recommendation is put to the board for approval. All bonuses, options and incentives must be linked to predetermined performance criteria. The board can exercise its discretion in relation to approving incentives, bonuses and options and can recommend changes to the committee's recommendation. Any changes must be justified by reference to measurable performance criteria.

There are no schemes for retirement benefits other than statutory superannuation for non-executive directors

New Millenium Publications Limited

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE 2004

	Note	2004 \$	2003 \$
CLASSIFICATION OF EXPENSES BY NATURE			
Revenues from ordinary activities	2	660,766	708,782
Changes in inventories of finished goods and work in progress		169,500	48,000
Raw materials and consumables used		(610,998)	(231,248)
Employee benefits expense		(60,742)	(261,623)
Depreciation and amortisation expenses	3	(24,733)	(6,673)
Borrowing costs expense	3	(69,891)	(54,979)
Other expenses from ordinary activities		(405,550)	(190,611)
<hr/>			
Profit from ordinary activities before income tax expense	3	(341,648)	11,648
Net increase (decrease) in asset revaluation reserve	6	-	410,000
<hr/>			
Total changes in equity other than those resulting from transactions with owners as owners		(341,648)	421,648
<hr/>			

The accompanying notes form part of these financial statements.

New Millenium Publications Limited

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2004

	Note	2004 \$	2003 \$
CURRENT ASSETS			
Cash assets	7	398	388
Receivables	8	282,494	180,478
Inventories	9	232,500	78,000
TOTAL CURRENT ASSETS		515,392	258,866
NON-CURRENT ASSETS			
Property, plant and equipment	10	42,968	19,846
Intangible assets	11	746,827	667,197
TOTAL NON-CURRENT ASSETS		789,795	687,043
TOTAL ASSETS		1,305,187	945,909
CURRENT LIABILITIES			
Payables	12	155,327	135,380
Interest bearing liabilities	13	165,693	66,422
Provisions	14	10,360	20,000
TOTAL CURRENT LIABILITIES		331,380	221,802
NON-CURRENT LIABILITIES			
Interest bearing liabilities	13	325,353	664,018
TOTAL NON-CURRENT LIABILITIES		325,353	664,018
TOTAL LIABILITIES		656,733	885,820
NET ASSETS		648,454	60,089
EQUITY			
Contributed equity	15	930,400	388
Reserves	6	410,000	410,000
Accumulated losses	5	691,946	350,299
TOTAL EQUITY		648,454	60,089

The accompanying notes form part of these financial statements.

New Millenium Publications Limited

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2004

	2004 \$	2003 \$
Cash Flows From Operating Activities		
Receipts from Customers	511,547	497,602
Interest Received	5,091	2,380
Payment to Suppliers & Employees	(1,016,777)	(402,762)
Borrowing Costs Paid	(69,891)	(29,323)
Net cash provided by (used in) operating activities	(570,030)	67,897
Cash Flows from Investing Activities		
Payment for Plant & Equipment	(34,995)	(2,266)
Payment for Goodwill	-	(257,197)
Net cash provided by (used in) investing activities	(34,995)	(259,463)
Cash Flows From Financing Activities		
Proceeds from Issue of Shares	930,012	-
Payment for Share Issue Costs	(92,490)	-
Proceeds from Borrowings	181,339	190,000
Repayment of Borrowings	(511,531)	(55,918)
Receipts from Advances	6,906	17,086
Net cash provided by (used in) financing activities	514,236	151,168
Net increase (decrease) in cash held	(90,789)	(40,398)

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2004

	2004 \$	2003 \$
<hr/> Notes to the Statement of Cash Flows		
Reconciliation of Cash		
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	(114,822)	(24,033)
<hr/>		
Reconciliation of Net Cash provided by Operating Activities to profit from ordinary activities after Income Tax		
Operating profit (loss) after income tax	(341,648)	11,648
Non-cash flows in Profit(Loss) from Ordinary Activities:		
Depreciation	11,873	3,766
Doubtful Debts	30,000	-
Goodwill Written Off	12,860	-
Charges to Provisions	(9,640)	20,000
Changes in Assets and Liabilities:		
Decrease (Increase) in Current Inventories	(154,500)	(33,250)
Decrease (Increase) in Current Receivables	(138,922)	(29,914)
Decrease (Increase) in Prepayments	-	2,612
Increase (Decrease) in Trade Creditors	19,947	93,035
Cash flows from operations	(570,030)	67,897

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004

Property, Plant and Equipment

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

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the company to have an independent valuation every three years, with annual appraisals being made by the directors.

The revaluation of freehold land and buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

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
Office Furniture and Equipment	20.0 - 33.3%

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004

Mastheads

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004

	2004 \$	2003 \$
2 Revenue		
Operating activities		
Sale of goods	654,809	704,178
Interest	5,957	1,907
Other revenue	-	2,697
	<u>660,766</u>	<u>708,782</u>
Interest from:		
Other Corporations	5,957	1,907
3 Profit from Ordinary Activities		
Profit from ordinary activities before income tax expense has been determined after:		
Expenses:		
Cost of sales	441,498	183,248
Borrowing costs		
Other Persons/Corporations	69,891	48,473
Other Related Parties	-	3,894
Borrowing Costs	-	2,612
Total borrowing costs	<u>69,891</u>	<u>54,979</u>
Depreciation of non-current assets		
Depreciation	11,873	6,673
Total depreciation	<u>11,873</u>	<u>6,673</u>
Amortisation of non-current assets		
Goodwill	12,860	-
Total amortisation	<u>12,860</u>	<u>-</u>
Bad and doubtful debts		
Bad Debts Written Off	-	11,784
Doubtful Debts	30,000	-
Total bad and doubtful debts	<u>30,000</u>	<u>11,784</u>
Remuneration of auditor		
Auditing the financial report	3,000	-
Other Services	11,700	8,050

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004

	2004 \$	2003 \$
Revenue and Net Gains:		
Net gain on disposal of plant and equipment		2,697
4 Income Tax Expense		
Income tax expense attributable to:		
Profit from ordinary activities before income tax	-	-
5 Retained Profits		
Retained profits (accumulated losses) at the beginning of the financial year	(350,298)	(361,947)
Net profit attributable to members of the company	(341,648)	11,648
Retrospective adjustment(s) upon introduction of accounting standard(s):		
Retained profits (accumulated losses) at the end of the financial year	(691,946)	(350,299)
6 Reserves		
Asset revaluation reserve	410,000	410,000
Asset revaluation reserve		
Movements during the year:		
Opening Balance for the year	410,000	-
Matsheads at Independent Valuation	-	410,000
Closing balance	410,000	410,000
7 Cash Assets		
Cash on Hand	398	388

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004

	2004 \$	2003 \$
8 Receivables		
CURRENT		
Trade Debtors	311,628	173,572
Less: Provision for Doubtful Debts	30,000	-
	<u>281,628</u>	<u>173,572</u>
Loans to Employees	-	6,906
Other debtors	866	-
	<u>282,494</u>	<u>180,478</u>
9 Inventories		
CURRENT		
Work in Progress	232,500	-
At net realisable value	<u>232,500</u>	<u>-</u>
10 Property, Plant and Equipment		
Land and Buildings		
Office Furniture & Equipment	65,280	30,285
Less: Accumulated Depreciation	22,312	10,439
	<u>42,968</u>	<u>19,846</u>
Total Plant and Equipment	<u>42,968</u>	<u>19,846</u>

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	-	-	19846	-	19846
Additions	-	-	34995	-	34995
Depreciation expense	-	-	(11873)	-	(11873)
Carrying amount at the end of year	<u>-</u>	<u>-</u>	<u>42968</u>	<u>-</u>	<u>42968</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004

	2004 \$	2003 \$
11 Intangible Assets		
Goodwill	257,197	257,197
Less Accumulated Amortisation	12,860	-
	<u>244,337</u>	<u>257,197</u>
Mastheads	410,000	410,000
Formation Expenses	92,490	-
	<u>746,827</u>	<u>667,197</u>
12 Payables		
CURRENT		
Customer Deposits	19,864	-
Trade Creditors	86,948	80,049
Other Creditors	24,012	12,613
Input Tax Credits	(2,533)	-
GST Payable	10,691	35,761
Amounts Withheld	16,345	6,957
	<u>155,327</u>	<u>135,380</u>
13 Interest Bearing Liabilities		
CURRENT		
Bank Overdraft	115,218	24,422
Hire Purchase Liability	8,475	-
Loans - Bank	42,000	42,000
	<u>165,693</u>	<u>66,422</u>
NON-CURRENT		
Convertible Note	150,000	-
Hire Purchase Liability	19,833	-
Loans - Bank	155,520	664,018
	<u>325,353</u>	<u>664,018</u>
Bank loans are expected to be settled: within 12 months	<u>42,000</u>	<u>42,000</u>
Total current and non-current secured liabilities:		
Bank overdraft	115,220	24,422
Bank loans	197,518	664,018
	<u>312,738</u>	<u>688,440</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004

	2004	2003
	\$	\$
<hr/>		
All borrowings from the bank are secured by a guarantee provided by Nathan Nissen , a non executive director of the company.		
14 Provisions		
CURRENT		
Provision for Holiday Pay	10,360	20,000
Aggregate employee benefit liability	<u>10,360</u>	<u>20,000</u>
Number of employees at year end	<u>8</u>	<u>5</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004

	2004 \$	2003 \$
15 Contributed Equity		
Paid Up Capital:		
11,140,000 Fully Paid Ordinary Shares	930,400	388

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

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

Shares issued during the year
- 2,012 on 31st October 2003
- 500,000 on 14th November 2003
- 500,000 on 28th November 2003
- 4,140,000 on 20th April 2004.

On 13th November 2003 the company subdivided its shares on the basis of 2500 for 1. On this date the company had issued 2400 shares. After the subdivision the number of issued shares was 6,000,000.

The company converted to a public company on 25th December 2003. The company issued a prospectus on 20th January 2004 offering ordinary shares in the company. As a result of this 4,140,000 ordinary shares were issued on the 20th April 2004.

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.

At balance date share options existed which if exercised would result in the issue of 8,000,000 (2003: Nil) fully paid ordinary shares . The exercise price is \$0.25 .
The options are exercisable before 30th April 2008 at the discretion of the option holder.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004

	2004 \$	2003 \$
16 Capital and Leasing Commitments		
Finance Lease Commitments		
Payable		
Not later than one year	14,686	-
Later than one year but not later than two years	27,186	-
Later than two years but not later than five years	9,824	-
	<u>51,696</u>	<u>-</u>
Less: Future Finance Charges	10,888	-
	<u>40,808</u>	<u>-</u>
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable		
Not later than one year	29,550	59,550

17 Remuneration and Retirement Benefits

Directors' Remuneration:

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

113,624 119,993

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

	No.	No.
\$10,000 - \$19,999	1	1
\$90,000 - \$99,999	-	1
\$100,000 - \$109,999	1	

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

Nathan Nissen
Daniel Nissen
Georgia Nissen
Robert Brett

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004

	2004 \$	2003 \$
Retirement and Superannuation Payments:		
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	9,257	9,000

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

18 Segment Reporting

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

19 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:

	Weighted Aver. Effective Int. Rate 2004 %	Floating Interest Rate 2004 \$	Fixed Interest Rate Maturing	
			Within Yr 2004 \$	1 - 5 Yrs 2004 \$
Financial Liabilities				
Bank Overdraft Secured	8.25	115,220	-	-
Bank Loan Secured	8.25	-	42,000	155,518
Lease Liabilities	25.00	-	8,475	19,833
Convertible Note	10.00	-	-	150,000
Total Financial Liabilities		115,220	50,475	325,351

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004

2004	2003
\$	\$

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.

DIRECTORS' DECLARATION

The directors of the company declare that:


1. The financial statements and notes are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30th June 2004 and of the performance for the year 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 15th day of September 2004

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF

New Millenium Publications Limited
A.B.N. 007 016 202

Scope

The Financial Report and Directors' Responsibility.

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 for New Millenium Publications Limited for the year ended 30th June 2004.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF

New Millenium Publications Limited

A.B.N. 007 016 202

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and

assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit Opinion

In our opinion, the financial report of New Millenium Publications Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30th June 2004 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporation Regulations 2001; and
- (b) other mandatory professional report requirements in Australia.

Name of Firm: Boyar Partners
Chartered Accountants

Name of Partner: 
Joe Boyar

Address: 92 Union Street ,Armadale Vic.,

Dated this 14th day of April 2004

New Millenium Publications Limited
ABN 71 007 016 202

ADDITIONAL INFORMATION

10 Largest Shareholders – Ordinary Shares

	Number of Ordinary Fully Paid Shares held	% Held of Issued Ordinary Capital
Mr Nathan Nissen	5,500,000	49.37%
Shareholding Pty Ltd	1,700,000	15.26%
Bawden Custodians Pty Ltd	500,000	4.49%
Mr Robert Brett	500,000	4.49%
Mr Daniel Nissen	500,000	4.49%
Mrs Denise Fiddis	125,000	1.12%
Super 1136 Pty Ltd	125,000	1.12%
Mrs Alison Bawden	100,000	0.90%
Mr Travers A D Bawden	100,000	0.90%
Mr Paul Alexander Davison	100,000	0.90%