

# **Newland Resources Ltd**

ACN 009 092 068

## **Interim Financial Report**

**for the**

**Half-Year ended 31 December 2008**

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2008 and any public announcements made by Newland Resources Ltd during the half-year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

# Newland Resources Ltd

ACN 009 092 068

## 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 2008.

The names and particulars of directors of the Company during the whole of the half-year and up to the day of this report are:

<b>Name</b>	<b>Particulars</b>
Lindsay A Colless	Chairman, Chief Executive Officer and Chief Financial Officer.
Kevan L Ashworth	Independent non-executive director.
Peter L Munachen	Independent non-executive director.
Christian R West	Executive director

### Review and Results of Operations

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

	<b>Segment Revenue 2008 \$</b>	<b>Segment Revenue 2007 \$</b>	<b>Segment result 2008 \$</b>	<b>Segment result 2007 \$</b>
Mining	-	-	-	-
Funds management and investment activities	8,348,062	5,203,791	8,348,062	5,203,791
	<u>8,348,062</u>	<u>5,203,791</u>	8,348,062	5,203,791
Unallocated expenses			(18,700,330)	(7,873,885)
Operating profit (loss)			<u>(10,352,268)</u>	<u>(2,670,094)</u>
Income Tax			-	-
Operating profit (loss) for half-year			<u>(10,352,268)</u>	<u>(2,670,094)</u>

### Activities

The Company and its subsidiaries provide funds management, financial investment services and proprietary investments for the resources sector on a global basis; venture capital funds management in the emerging markets from a London base as well as direct equity investment in mineral exploration in Australia, including the Georgina Basin Uranium project in north-western Queensland.

### Dividends

No dividends have been provided for or paid by the Company during the half year.

### Changes In State Of Affairs and Subsequent Events

Subsequent to the end of the reporting period and following a review of the Group's United Kingdom subsidiaries, the Newland Stockbrokers Limited business ceased trading. Also subsequent to the end of the reporting period, the Group has arranged a placement of capital to raise additional funds of \$480,000 at 2 cents per share and has resolved to make a one for one entitlements offer to all shareholders at an issue price of 1 cent each, fully underwritten, to raise a further \$1,889,000 less costs.

Further, the Company has initiated the sale of investments that are planned to take place over the next two to six months. The timing and ultimate proceeds receivable will depend on the prevailing market conditions at the time.

Other than these 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 2008.

# Newland Resources Ltd

ACN 009 092 068

## Directors' Report (continued)

### Auditors' Independence Declaration

The following is a copy of a letter received from the Company's auditors:

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

To: the directors of Newland Resources Ltd

Dear Sirs,

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 audit review of the 31 December 2008 half yearly financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Frank Vrachas (Lead auditor)  
Rothsay Chartered Accountants  
16 March 2009

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

On behalf of the Directors



L A Colless  
Director

Dated this 16th day of March 2009.

# ROTHSAY

Level 18, 6 O'Connell Street, Sydney NSW 2000 G.P.O. Box 2759, Sydney NSW 2001  
Phone 8815 5400 Facsimile 8815 5401 E-mail swan2000@bigpond.com

## Independent Review Report to the Members of Newland Resources Ltd

### The financial report and directors' responsibility

The interim consolidated financial report comprises the balance sheet, income statement, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Newland Resources Ltd for the half-year ended 31 December 2008.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and 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.

### Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2008 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Newland Resources Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

### Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of Newland Resources Ltd is not in accordance with the *Corporations Act 2001*, including:

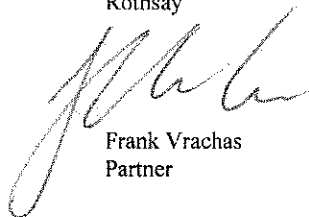
- giving a true and fair view of the consolidated financial position as at 31 December 2008 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our conclusion, the Group incurred a net loss of \$10,352,268 during the half year, had net cash outflows of \$1,559,091 and as at 31 December current liabilities exceeded current assets by \$1,129,459. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the entity's ability to continue as a going concern, and realise its assets and extinguish its liabilities in the normal course of business.



Rothsay



Frank Vrachas  
Partner

Dated 16 March 2009



Chartered Accountants

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

# Newland Resources Ltd

ACN 009 092 068

## Directors' Declaration

For The Half-Year Ended 31 December 2008

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, 16th day of March 2009

# Newland Resources Ltd

ACN 009 092 068

## Condensed Consolidated Income Statement

For The Half-Year Ended 31 December 2008

	<b>Note</b>	<b>Consolidated Half-year ended 31 Dec 2008 \$</b>	<b>Consolidated Half-year ended 31 Dec 2007 \$</b>
Revenue from continuing operations		<b>8,348,062</b>	5,203,791
Employee benefits expense		-	(30,670)
Depreciation expense		<b>(98,298)</b>	(48,852)
Foreign exchange loss		<b>58,774</b>	(133,149)
Other Expenses		<b>(18,660,806)</b>	(7,661,214)
<b>(Loss) Profit before income tax</b>		<b>(10,352,268)</b>	(2,670,094)
Income tax expense		-	-
(Loss)Profit from continuing operations		<b>(10,352,268)</b>	(2,670,094)
Profit (Loss) from discontinued operations		-	-
<b>(Loss) Profit for the half-year attributable to members of Newland Resources Ltd</b>		<b>(10,352,268)</b>	(2,670,094)
Retained Profits brought forward		<b>(3,451,622)</b>	1,865,087
Accumulated (losses) at end of half-year		<b>(13,803,890)</b>	(805,007)
<b>Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company</b>			
Earnings (loss) per share - basic	5	<b>(\$0.0627)</b>	(\$0.0163)

The above consolidated income statement should be read in conjunction with the accompanying notes.

# Newland Resources Ltd

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## Condensed Consolidated Balance Sheet

As at 31 December 2008

	Note	Consolidated Half-year ended 31 Dec 2008 \$	Consolidated Annual Report 30 Jun 2008 \$
<b>Current Assets</b>			
Cash and cash equivalents	4	450,218	898,902
Trade and other receivables		1,483,051	1,237,068
<b>Total Current Assets</b>		<b>1,933,269</b>	<b>2,135,970</b>
<b>Non-Current Assets</b>			
Plant & equipment		468,220	555,081
Other non – current assets		716,884	2,360,907
Available-for-sale investments		6,011,115	13,120,809
<b>Total Non-Current Assets</b>		<b>7,196,219</b>	<b>16,036,297</b>
<b>Total Assets</b>		<b>9,129,488</b>	<b>18,172,267</b>
<b>Current Liabilities</b>			
Trade and other payable		2,352,031	1,042,193
Provision for Income Tax		710,697	696,792
<b>Total Current Liabilities</b>		<b>3,062,728</b>	<b>1,738,985</b>
<b>Total Liabilities</b>		<b>3,062,728</b>	<b>1,738,985</b>
<b>Net Assets</b>		<b>6,066,760</b>	<b>16,433,282</b>
<b>Shareholders' Equity</b>			
Contributed equity	3	19,910,658	19,910,658
Reserves		(40,008)	(25,754)
Accumulated losses		(13,803,890)	(3,451,622)
		<b>6,066,760</b>	<b>16,433,282</b>
Minorities		-	-
<b>Total Equity</b>		<b>6,066,760</b>	<b>16,433,282</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

# Newland Resources Ltd

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## Condensed Statement of Changes in Equity

For the Half-Year ended 31 December 2008

	Half-year ended 31 Dec 2008 \$	Half-year ended 31 Dec 2007 \$
<b>Total equity at the beginning of the half-year</b>	<b>16,433,282</b>	22,918,926
(Loss)Profit for the half-year	(10,352,268)	(2,670,094)
Exchange differences on translation of foreign operations	4,436	802,381
Changes in the fair value of available for sale investments	(18,690)	(171,061)
<b>Total recognised income and expense for the financial period</b>	<b>(10,366,522)</b>	(2,038,774)
<b>Transactions with equity holders in their capacity as equity holders</b>		
Contributions of equity, net of transactions costs	-	-
Officer/Employee Stock options	-	-
Minority interest	-	-
<b>Total equity at the end of the half-year</b>	<b>6,066,760</b>	20,880,152

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# Newland Resources Ltd

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## Consolidated Cash Flow Statement

For The Half-Year Ended 31 December 2008

	Consolidated Half-year ended 31 Dec 2008 \$	Consolidated Half-year ended 31 Dec 2007 \$
<b>Cash Flows Related To Operating Activities</b>		
Revenue from customers and debtors	562,160	4,717,200
Payments to suppliers	(2,194,515)	(297,264)
Foreign exchange losses	73,264	(132,014)
<b>Net Operating Cash Flows</b>	<b>(1,559,091)</b>	<b>4,287,922</b>
<b>Cash Flows Related To Investing Activities</b>		
Proceeds sales of investments	1,193,202	2,513,170
Purchase of plant & equipment	(4,796)	(353,776)
Exploration expenditure	(257,400)	-
Expenditure on investments	-	(11,510,357)
Interest and other items of a similar nature received	15,083	93,942
Receivables	(3,571)	-
Payables	167,645	-
<b>Net Investing Cash Flows</b>	<b>1,110,163</b>	<b>(9,257,021)</b>
<b>Cash Flows Related To Financing Activities</b>		
Proceeds from share issues	-	-
Loans from (to) other corporations	-	-
<b>Net Financing Cash Flows</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	<b>(448,928)</b>	<b>(4,969,099)</b>
Cash and Cash Equivalents at beginning of half year	898,902	7,129,178
Effects of exchange rate changes on cash and cash equivalents	244	(16,910)
<b>Cash and Cash Equivalents At End Of Half Year</b>	<b>450,218</b>	<b>2,143,169</b>

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

# Newland Resources Ltd

ACN 009 092 068

## Notes to the Financial Statements

For the Half-Year ended 31 December 2008

### 1. a. Basis of Preparation of Half-Year Financial Statements

This general purpose financial report for the Half-Year ended 31 December 2008 has been prepared in accordance with the Corporations Act 2001 and Accounting Standard AASB 134: Interim Financial Reporting. This Half-Year Report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the Annual Report for the year ended 30 June 2008 and public announcements made by Newland Resources Ltd during the Half-Year in accordance with any continuous disclosure obligations arising under the Corporations Act, 2001.

### b. Other Changes in Accounting Policy

Since 1 July 2008, the Group has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2008. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Group.

- AASB 8 Operating Segments
- AASB 101 Revised Presentation of Financial Statements

The following amending standards have also been adopted from 1 July 2008

- AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8
- AASB 2008-1 Amendments to Australian Accounting Standards Share-based Payments: Vesting conditions and cancellations
- AASB 2008-3 These amendments are consequential amendments to 20 standards and have no significant affect for the Group
- AASB 2008-5 and 2008-6 Amendments to Australian Accounting Standards arising from the Annual Improvements Projects

The Group has elected not to early adopt any new standards or amendments.

The accounting policies have been consistently applied to all the periods presented, unless otherwise stated.

### c. Going Concern

The financial report has been prepared on a going concern basis which contemplates the continuity of business activities and the realisation of assets and the payment of liabilities in the normal course of business.

The Group experienced losses from ordinary activities after income tax for the half year of \$10,352,268. The Group experienced net cash outflows from operating activities for the half year of \$1,559,091 and at period end current liabilities exceeded current assets by \$1,129,459. In addition the Group has commitments as detailed in note 8.

Since the end of the half-year, the Company has arranged a placement of shares to raise \$480,000 less costs and has resolved to make a one for one entitlements offer to all shareholders at an issue price of 1 cent each, fully underwritten, to raise a further \$1,889,000 less costs.

In addition to the above equity raisings the Company has initiated the sale of investments that are planned to take place over the next two to six months. The timing and ultimate proceeds receivable will depend on the prevailing market conditions at the time.

# Newland Resources Ltd

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## Notes to the Financial Statements

For the Half-Year ended 31 December 2008

1. c. Going Concern – continued

The ability of the Group to meet its obligations is dependent upon achieving the planned equity raisings and asset sales in the timeframe required. The Group has a reasonable expectation that this will eventuate and accordingly have prepared the financial report on a going concern basis. Should these matters not eventuate as expected, the Group may not be able to continue as a going concern and may not be able to realise its assets and extinguish its liabilities in the normal course of business, and at amounts stated in the financial report.

2. Profit (Loss) for the half year

Loss for the half year includes no items that are unusual because of their nature, size or incidence.

3. Equity Securities Issued

	2008 Shares	2007 Shares	2008 \$	2007 \$
Movements in issued capital				
Opening Balance	<b>164,977,571</b>	163,777,571	<b>19,910,658</b>	19,732,352
Issued during the half year	-	-	-	-
Closing Balance at end of half year	<b>164,977,571</b>	163,777,571	<b>19,910,658</b>	19,732,352
Less: Cost of issue			-	-
As per Balance Sheet	<b>164,977,571</b>	163,777,571	<b>19,910,658</b>	19,732,352

4. Reconciliation of cash

	Half year ended 31 Dec 2008 \$	Annual Report 30 June 2008 \$
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 and cash equivalents	<b>450,218</b>	898,902
	<b>450,218</b>	898,902

5. Earnings per share

	Half-year ended 31 Dec 2008 \$	Half-year ended 31 Dec 2007 \$
(a) Basic (loss) earnings per share	<b>(\$0.0627)</b>	(\$0.0163)
	<b>Number</b>	Number
(b) Weighted average number of shares used as denominator		
The weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	<b>164,977,571</b>	163,777,571

Diluted earnings per share are not materially different from basic earnings per share and have therefore not been disclosed.

# Newland Resources Ltd

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## Notes to the Financial Statements

For the Half-Year ended 31 December 2008

### 6. Segmental information

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

	Segment Revenue \$	Segment Profit \$	Segment Assets \$
<b>Industry Segments Half Year 2008</b>			
Financial Services	8,348,062	(10,352,268)	8,412,604
Resources	-	-	716,884
<b>Total</b>	<b>8,348,062</b>	<b>(10,352,268)</b>	<b>9,129,488</b>

### Industry Segments Half Year 2007

Financial Services	5,203,791	(2,670,094)	26,988,506
Resources	-	-	1,363,663
<b>Total</b>	<b>5,203,791</b>	<b>(2,670,094)</b>	<b>28,352,169</b>

### Geographic Segments Half Year 2008

United Kingdom	2,464,937	(3,216,795)	4,267,469
Australia	5,883,125	(7,135,473)	4,862,019
<b>Total</b>	<b>8,348,062</b>	<b>(10,352,268)</b>	<b>9,129,488</b>

### Geographic Segments Half Year 2007

United Kingdom	1,574,612	(365,171)	2,179,593
Australia	3,629,179	(2,304,923)	26,172,576
<b>Total</b>	<b>5,203,791</b>	<b>(2,670,094)</b>	<b>28,352,169</b>

### 7. Subsequent Events

Following a review of the financial viability of the UK-based subsidiary group, the Newland Stockbrokers Limited business ceased trading effective from 27 February 2009. Also, subsequent to 31 December 2008, the Group has arranged a placement of capital to raise \$480,000 less costs. The directors have resolved to raise a further \$1,889,000 less costs by way of a fully underwritten one for one entitlements issue to shareholders.

Further, the Company has initiated the sale of investments that are planned to take place over the next two to six months. The timing and ultimate proceeds receivable will depend on the prevailing market conditions at the time.

Other than as stated above 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 2008.

# **Newland Resources Ltd**

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## **Notes to the Financial Statements**

**For the Half-Year ended 31 December 2008**

### **8. Commitments for Expenditure**

#### **Mineral Exploration**

The Company, in order to maintain current rights of tenure to exploration permits comprising the Georgina Basin Project has certain obligations to perform minimum exploration work and expend minimum funds. These commitments may be varied as a result of negotiations, relinquishments, farm-outs, sales or carrying out work in excess of the permit obligations. The Company is required to expend \$1,933,361 on the Georgina Basin Project during the forthcoming year to honour the expenditure commitments for the Project.