HILLCREST LITIGATION SERVICES LIMITED

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RE: Preliminary Financial Report - Results for Announcement to the Market

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Please find to follow the "Appendix 4E Preliminary Final Report for a period ending after 30 June 2003".

The following information is given to ASX under listing rule 4.3A

IAN ALLEN
COMPANY SECRETARY

Hillcrest Litigation Services Limited
ABN: 63 060 094 742

Appendix 4E
Financial Year Ended
30 June 2005

RESULTS FOR ANNOUNCEMENT TO MARKET

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1. Details of the reporting period and the previous corresponding period.

This information relates to the financial year ended 30 June 2005. The previous corresponding period relates to the financial year ended 30 June 2004.

2. Key information in relation to the following. This information must be identified as ***"Results for announcement to the market".***

2.1 The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities.

Revenues from ordinary activities	down	95.3%	to $ 41,956

Decrease in revenue from ordinary activities relates to the sale of listed investments in the financial year ended 30 June 2004 that did not exist in the current period. Revenue in the current period relates to interest revenue earned on the investment of cash and cash deposits.

2.2 The amount and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members.

Loss from ordinary activities after tax attributable to members	up	7.8%	to $ 790,252

2.3 The amount and percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to members.

Net Loss for the period attributable to members	up	7.8%	to $ 790,252

2.4 The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.

No dividends have been declared for the financial year ended 30 June 2005.

2.5 The record date for determining entitlements to the dividends (if any).

No dividends have been declared for the financial year ended 30 June 2005.

2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.

No other significant items.

3. A statement of financial performance together with notes to the statement, prepared in compliance with AASB 1018 or the equivalent foreign accounting standard.

	Consolidated		*Parent Entity*	
	2005	**2004**	**2005**	**2004**
	$	**$**	**$**	**$**
Revenues from ordinary activities	41,956	**889,613**	41,956	**889,613**
Administrative costs	386,221	**89,201**	371,221	**88,453**
Corporate costs	413,634	**406,409**	407,608	**399,947**
Occupancy costs	26,130	**27,956**	26,130	**27,956**
Other				
Provision for diminution in investments	-	**8,963**	-	**8,963**
Provision for diminution in listed investment	(850)	**300,800**	(850)	**300,800**
Exploration expenditure written-off	-	**58,297**	-	**58,077**
Write down of receivable in controlled entity	-	**-**	26,696	**1,760**
ebts written off	5,194	**-**	5,194	**-**
Cost of non current assets disposed	1,879	**730,923**	1,879	**730,923**
Loss from ordinary activities before income tax expense	(790,252)	**(732,936)**	(795,922)	**(727,266)**
Income tax expense	-	**-**	-	**-**
Loss from ordinary activities after income tax expense	(790,252)	**(732,936)**	(795,922)	**(727,266)**
Net loss attributable to members of the parent entity	(790,252)	**(732,936)**	(795,922)	**(727,266)**
Total changes in equity attributable to members of Hillcrest Litigation Services Limited other than those resulting from transactions with owners as owners	(790,252)	**(732,936)**	(795,922)	**(727,266)**
Basic loss per share	1.35 cents	**1.21 cents**		
Diluted loss per share	1.35 cents	**1.21 cents**		

4. A statement of financial position together with notes to the statement. The statement of financial position may be condensed but must report as line items each significant class of asset, liability, and equity element with appropriate sub-totals.

	Consolidated		Parent Entity	
	2005	2004	2005	2004
	$	$	$	$
Current Assets				
Cash assets	1,288,322	**433,019**	1,288,322	**433,019**
Receivables	21,056	**14,672**	21,056	**14,672**
Other financial assets	-	**201,583**	-	**201,583**
Litigation work in progress	268,321	**-**	268,321	**-**
Other	4,553	**18,789**	4,553	**18,789**
Total Current Assets	1,582,252	**668,063**	1,582,252	**668,063**
Non-Current Assets				
Receivables	-	**-**	-	**5,670**
Other financial assets	1,650	**800**	1,650	**800**
Litigation work in progress	11,349	**-**	11,349	**-**
Plant & equipment	27,908	**30,612**	27,908	**30,612**
Total Non-Current Assets	40,907	**31,412**	40,907	**37,082**
Total Assets	1,623,159	**699,475**	1,623,159	**705,145**
Current Liabilities				
Payables	104,879	**60,517**	104,879	**60,517**
Provisions	54,864	**54,774**	54,864	**54,774**
Total Current Liabilities	159,743	**115,291**	159,743	**115,291**
Total Liabilities	159,743	**115,291**	159,743	**115,291**
NET ASSETS	1,463,416	**584,184**	1,463,416	**589,854**
Equity				
Contributed equity	16,385,358	**14,370,734**	16,385,358	**14,370,734**
Reserves	-	**345,140**	-	**345,140**
Accumulated losses	(14,921,942)	**(14,131,690)**	(14,921,942)	**(14,126,020)**
TOTAL EQUITY	1,463,416	**584,184**	1,463,416	**589,854**

5. A statement of cash flows together with notes to the statement. The statement of cash flows may be condensed but must report as line items each significant form of cash flow and comply with the disclosure requirements of AASB 1026 Statement of Cash Flows, or for foreign entities, the equivalent foreign accounting standard.

	Consolidated		*Parent Entity*	
	2005	**2004**	**2005**	**2004**
	$	**$**	**$**	**$**
Cash flows from operating activities				
Payments to suppliers and employees	(765,598)	**(490,910)**	(792,294)	**(485,240)**
Interest received	39,691	**19,734**	39,691	**19,734**
Payments for Litigation Funding	(279,670)	**-**	(279,670)	**-**
Net cash used in operating activities	(1,005,577)	**(471,176)**	(1,032,273)	**(465,506)**
Cash flows from investing activities				
Loans to controlled entities	-	**-**	26,696	**(5,670)**
Loans to others	-	**(194,252)**	-	**(194,252)**
Proceeds from loans repaid	197,471	**-**	197,471	**-**
Payments for investments	-	**(2,000)**	-	**(2,000)**
Proceeds from sale of investments	-	**862,049**	-	**862,049**
Payments for plant & equipment	(6,075)	**(829)**	(6,075)	**(829)**
Payments for exploration expenditure	-	**(38,077)**	-	**-** **(38,077)**
Net cash provided by investing activities	191,396	**626,891**	218,092	**621,221**
Cash flows from financing activities				
Proceeds from issue of shares and options	1,804,525	**-**	1,804,525	**-**
Payment for share and option issue expenses	(135,041)	**-**	(135,041)	**-**
Net cash provided by financing activities	1,669,484	**-**	1,669,484	**-**
Net increase in cash held	855,303	**155,715**	855,303	**155,715**
Cash at the beginning of the financial year	433,019	**277,304**	433,019	**277,304**
Cash at the end of the financial year	1,288,322	**433,019**	1,288,322	**433,019**

6. Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable and (if known) the amount per security of foreign sourced dividend or distribution.

No dividends have been declared for the period ended 30 June 2005.

7. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.

No dividends have been declared for the period ended 30 June 2005.

8. A statement of retained earnings showing movements.

	Consolidated		*Parent Entity*	
	2005	**2004**	**2005**	**2004**
	$	**$**	**$**	**$**
Accumulated losses at beginning of year	**(14,131,690)**	(13,398,754)	**(14,126,020)**	(13,398,754)
Net loss attributable to members of the parent entity	**(790,252)**	(732,936)	**(795,922)**	(727,266)
Accumulated losses at the end of the year	**(14,921,942)**	(14,131,690)	**(14,921,942)**	(14,126,020)

9. Net tangible assets per security with the comparative figure for the previous corresponding period.

	2005	**2004**
Net Assets per security	3.6cents	0.6 cents

Note: Calculated as Net Assets divided by shares on issue. The results are not comparable prima facie due to the share consolidation during the current period on a 3:1 basis.

10. Details of entities over which control has been gained or lost during the period, including the following.

10.1 Name of the entity.

Cuprifex Mining NL. The Company was a wholly owned subsidiary and was wound up following liquidation during the period.

10.2 The date of the gain or loss of control.

Cuprifex Mining NL became insolvent on 8th November 2004 and the final Creditors and members meeting was held on 17th June 2005.

10.3 Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.

Cuprifex Mining NL is not material to the consolidated group. The parent entity now recognises a $50,000 provision for the restoration for the Waroo mine in Queensland. The funds are secured by a bank guarantee payable when called.

11. Details of associates and joint venture entities including the following.

11.1 Name of the associate or joint venture entity.

Not applicable, the Company has no associates or interests in Joint Ventures at 30 June 2005.

11.2 Details of the reporting entity's percentage holding in each of these entities.

Not applicable, the Company has no associates or interests in Joint Ventures at 30 June 2005

11.3 Where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.

Not applicable, the Company has no associates or interests in Joint Ventures at 30 June 2005

12. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.

In November 2004 the Company changed its name and business activities from an exploration company to a litigation funding company.

13. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).

The Consolidated entity is domiciled in Australia and the report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views.

14. A commentary on the results for the period. The commentary must be sufficient for the user to be able to compare the information presented with equivalent information for previous periods. The commentary must include any significant information needed by an investor to make an informed assessment of the entity's activities and results, which would include but not be limited to discussion of the following.

14.1 The earnings per security and the nature of any dilution aspects.

	2005 $	2004 $
Basic loss per share	**1.35 cents**	1.21 cents
Diluted loss per share	**1.35 cents**	1.21 cents
Earnings reconciliation		
Basic earnings	**(790,252)**	(732,936)
Diluted earnings	**(790,252)**	(732,936)

	Number	Number
Weighted average number of ordinary shares used in the calculation of basic earnings per share	58,445,227	**60,732,407**
The number of ordinary shares and potential ordinary shares that would be used in the calculation of diluted earnings per share. The potential ordinary shares are not dilutive.	7,622,620	**29,732,245**

Comparative information has been adjusted as there has been a share consolidation in the current financial year to correspond to the information in the current year reporting.

14.2 Returns to shareholders including distributions and buy backs.

There have been no dividends or share buy backs in the current period.

14.3 Significant features of operating performance.

The operating loss in the current period is primarily attributable to the day to day management of the company.

14.4 The results of segments that are significant to an understanding of the business as a whole.

Geographical segments

The consolidated entity operates in one geographical segment being Australia.

Business segments

The consolidated entity operates in one business segment being Litigation Funding that involves the management of litigation funding agreements.

In November 2004, the Company changed its name and business activity from an exploration company to a litigation funding company.

Before the company changed the nature of its business, it operated in three primary business segments being:
Administration: comprising the day to day management of the activities of the Company;
Investments: comprising investments in listed and unlisted entities; and
Exploration: comprising the management of tenement holdings.

14.5 A discussion of trends in performance.

In November 2004 the company changed business activity. The current period's results indicate 7 months of the litigation funding business and 5 months of the exploration business. The previous corresponding period reflects the results of 12 months of the exploration business.

The Company does not believe the results are comparable due to the difference in nature of the businesses.

In the current period, the loss is primarily attributable to the costs of day to day management of the company

14.6 Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified.

No material events have occurred since the end of the current period.

15. A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed.

The report is based on accounts that are in the process of being audited.

16. If the +accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification.

The accounts of the Company are in the process of being audited.

17. If the +accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.

The accounts of the Company are in the process of being audited.

18. Australian Equivalents to International Accounting Standards

The Australian Accounting Standards Board (AASB) has adopted International Financial Reporting Standards (IFRS) for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS, and the Urgent Issues Group has issued interpretations corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. These Australian equivalents to IFRS are referred to hereafter as AIFRS. The adoption of AIFRS will be first reflected in the Consolidated entity's financial statements for the half year ending 31 December 2005 and the year ending 30 June 2006.

Entities complying with AIFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of AIFRS to that comparative period. Most adjustments required on transition to AIFRS will be made, retrospectively, against retained earnings as at 1 July 2004.

The Consolidated entity has established a team to manage the transition to AIFRS, including training of staff. The team has a timetable for managing the transition and is currently on schedule.

The team has analysed most of the AIFRS and has identified the accounting policy changes that will be required. In some cases choices of accounting policies are available, including elective exemptions under Accounting Standard 1 First Time Adoption of Australian Equivalents to International Financial Reporting Standards. The team is still assessing the disclosure impacts of adopting AIFRS.

The known or reliably estimated impacts on the financial report for the year ended 30 June 2005 had it been prepared using AIFRS are set out below. The expected financial effects of adopting AIRFS are disclosed below with description of the differences, the timing of the impact on the statements of financial performance and statement of financial position. No material impacts are expected in relation to the statement of cash flows.

Although the adjustments disclosed in this note are based on management's best knowledge of expected standards and interpretations, and current facts and circumstances, these may change. For example, amended or additional standards and interpretations may be issued by the AASB and the IASB. Therefore, until the company prepares its first full AIFRS financial statements, the possibility cannot be excluded that the accompanying disclosures may have to be adjusted.

a) Income Tax

Under the AASB 112 Income Taxes, deferred tax balances are determined using the balance sheet method which calculates temporary differences based on carrying amounts of an entity's assets and liabilities in the statement of financial position and their associated tax bases. In addition, current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity.

This will result in a change to the current accounting policy, under which deferred tax balances are determined using the income statement method, items are only tax effected if they are included in the determination of pre-tax accounting profit or loss/or taxable income or loss and current and deferred taxes cannot be recognised directly as equity. This change may have an initial impact on retained earnings and could alter the future carrying values of deferred tax assets and liabilities.

Changes are not expected to have a material impact on the retained earnings of the Parent or Consolidated entity as at 1 July 2004 or the reported period.

b) Financial Instruments

The Parent and Consolidated entity will be taking advantage of the exemption available under AASB1 to apply AASB132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement only from 1 July 2005. This allows the Parent and Consolidated entity to apply previous Australian generally accepted accounting principles to the comparative information of financial instruments within the scope of AASB 132 and 139 for the 30 June 2006 financial report.

Under AASB132, the current classification of financial instruments issued by entities in the Consolidated entity would not change.

Under AASB 139, financial assets held by entities in the Parent and Consolidated entity will be classified as either at fair value through profit or loss, held to maturity, available for sale or loans and receivables and, depending upon classification, measured at fair value or amortised value.

This will result in a change to the current accounting policy, under which financial assets are carried at the lower of cost or net realisable value, with changes recognised in the profit and loss.

As a result of the application of the exemption referred to above, there would be no adjustment to classification or measurement of financial assets or liabilities from the application of AIFRS during the year ended 30 June 2005. Changes in classification will be recognised from 1 July 2005.

c) Litigation Funding

Under AASB 118 Revenue, when the outcomes of a transaction involving the rendering of a service cannot be reliably measured, revenue shall only be recognised to the extent of the costs recognised are recoverable. When it is not probable the costs incurred will be recovered, revenue is not recognised and the costs incurred are recognised as an expense.

This is consistent with the current accounting policy for recognition of revenue and deferred litigation funding costs detailed in Note 1(k). Conversion is not expected to have a material impact on the retained earnings of the Parent and Consolidated entity as at 1 July 2004 or the current reported period.

d) Business Combinations

The Parent has elected to utilise the exemption granted under AASB 1 First Time Adoption of AIFRS for all past business combinations and not apply AASB 3 Business Combinations retrospectively. Therefore no impact on the retained earnings of the Parent or Consolidated entity will occur as at 1 July 2004 or the current reported period.