Rule 4.3

Appendix 4E

Preliminary final report
Period ending on or after 30 June 2003

Introduced 1/1/2003. Origin: Appendix 4B

Name of entity

MONTERAY GROUP LIMITED

The following information must be given to ASX under listing rule 4.3.

1.

ABN or equivalent company reference	Year ended: current period	previous corresponding period
062 959 540	30 June 2003	30 June 2002

Results for announcement to the market

				$A'000
2.1 Revenues from ordinary activities	up/down	N/A	to	-
2.2 Profit (loss) from ordinary activities after tax attributable to members	up/down	N/A	to	(322)
2.3 Net profit (loss) for the period attributable to members	up/down	N/A	to	(322)

2.4 Dividends (distributions)	Amount per security	Franked amount per security
Final dividend Interim dividend	Nil	N/A
Previous corresponding period: Final dividend Interim dividend	Nil	N/A

2.5 Record date for determining entitlements to the dividend: N/A

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

Note: The information required by item 2 must be placed at the beginning of the report. The other information may be presented in whatever way is the most clear and helpful to users, eg combined with the body of the report, combined with notes to the accounts, or set out separately.

+ See chapter 19 for defined terms.

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

Refer attached statement of financial performance.

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

Refer attached statement of financial position.

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:

Refer attached statement of cash flows.

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:

Dividend or distribution payments:	**Amount**	**Date on which each dividend or distribution is payable**	**Amount per security of foreign sourced dividend or distribution (if known)**
None			
Total			

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:

None.

8. A statement of retained earnings showing movements:

	Current period $A'000	**Previous corresponding period $A'000**
Retained profits (accumulated losses) at the beginning of the financial period	(62,380)	(64,002)
Net profit (loss) attributable to members	(322)	1,622
Net transfers from (to) reserves	-	-
Net effect of changes in accounting policies	-	-
Dividends and other equity distributions paid or payable	-	-
Retained profits (accumulated losses) at end of financial period	**(62,702)**	**(62,380)**

+ See chapter 19 for defined terms.

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

	Current period	Previous corresponding period
Net tangible assets per security	(0.02) cents	0.005 cents

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

10.1 Name of the entity. None

10.2 The date of the gain or loss of control. N/A

	Current period	Previous corresponding period
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.	$	$

11. Details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity's percentage holding in each of these entities and – 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.

Name of entity	% Holding	Aggregate Share of profit (losses)		Contribution to net profit	
		Current period	Previous corresponding period	Current period	Previous corresponding period
None					

+ See chapter 19 for defined terms.

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

All information which can be disclosed has been released to the market.

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

N/A

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:

Basic earnings in cents per share (0.12)

Weighted average number of ordinary shares used in the calculation of basic earnings per share: 273,223,864

Net gain/(loss) used in the calculation of basic earnings per share (321,944)

Potential ordinary shares that are not dilutive and not used in the calculation of diluted EPS:

- Share Options 25,350,000

The share options outstanding were not dilutive, as their conversion would result in a reduction in the loss per share.

14.2 Returns to shareholders including distributions and buy backs:

None

14.3 Significant features of operating performance:

The company continues to minimise operating costs during the period of investigation of business opportunities.

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

The company operates as an investment vehicle in Australia.

14.5 A discussion of trends in performance:

The company continues to minimise operating costs during the period of investigation of business opportunities.

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:

Not applicable.

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 accounts are in the process of being audited.

Note: If the +accounts have been audited or subject to review, the audit report should be provided with the report.

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:

Refer 17.

17. For all entities, if the accounts are subject to audit dispute or qualification, a description of the dispute or qualification.

The following emphasis of matter is expected to be included in the audit report:

Emphasis of Matter – Going Concern

Without qualification to the opinion expressed, attention is drawn to the following matter.

The financial report has been prepared on a going concern basis for the reasons set out in Note 1(c) of the financial report. The Directors state that in their opinion the going concern basis is appropriate. If the financial support of the Directors is not continued as detailed in Note 1(c), in our opinion, there is uncertainty whether the company will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business, at the amounts stated in the financial report.

Note: The audit report or review must be provided as part of the report.

Signed by Company Secretary:

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Name: Leighton Beamsley
Date: 12 September 2003

MONTERAY GROUP LIMITED
STATEMENTS OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2003

	30 June 2003 $	30 June2002 $
Revenue from Ordinary Activities	-	1,702
Depreciation and amortisation expense	-	(39)
Borrowing costs expense	-	(20,193)
Director benefits (Refer Note 1(c))	(131,625)	(63,231)
Other expenses from ordinary activities	(190,319)	(151,685)
Significant Items	-	1,855,642
Profit/(Loss) from Ordinary Activities before Income Tax Expense	**(321,944)**	**1,622,196**
Income Tax Expense Relating to Ordinary Activities	-	-
Profit/(Loss) from Ordinary Activities after Income Tax Expense	**(321,944)**	**1,622,196**
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised in equity	**(321,944)**	**1,622,196**
Total changes in equity other than those resulting from transactions with owners as owners	**(321,944)**	**1,622,196**
Basic earnings per share (cents per share)	(0.12)	0.64

MONTERAY GROUP LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2003

	30 June 2003 $	30 June2002 $
CURRENT ASSETS		
Cash assets	54,384	41,239
Receivables	24,948	7,029
TOTAL CURRENT ASSETS	79,332	48,268
NON-CURRENT ASSETS		
Property, plant & equipment	-	-
Intangible assets	-	-
TOTAL NON-CURRENT ASSETS	-	-
TOTAL ASSETS	79,332	48,268
CURRENT LIABILITIES		
Payables	140,111	33,853
TOTAL CURRENT LIABILITIES	140,111	33,853
TOTAL LIABILITIES	140,111	33,853
NET ASSETS	(60,779)	14,415
EQUITY		
Contributed equity	62,641,248	62,394,498
Accumulated losses	(62,702,027)	(62,380,083)
TOTAL EQUITY	(60,779)	14,415

MONTERAY GROUP LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2003

	30 June 2003	30 June2002
	$	$
CASH FLOWS RELATED TO OPERATING ACTIVITIES		
Interest received	-	1,702
Payments to suppliers and employees	(213,605)	(498,565)
Borrowing costs	-	(20,193)
Net Cash Utilised in Operating Activities	(213,605)	(517,056)
CASH FLOWS RELATED TO FINANCING ACTIVITIES		
Proceeds from Share Issues	226,750	404,200
Proceeds from Borrowings	-	277,506
Repayment of Borrowings	-	(106,128)
Net Cash Provided by/ (Utilised in) Financing Activities	226,750	575,578
Net Increase/(Decrease) in cash held	13,145	58,522
Cash at beginning of the year	41,239	(17,283)
CASH AT END OF THE FINANCIAL YEAR	54,384	41,239

1. SUMMARY OF ACCOUNTING POLICIES

The financial report constitutes a general purpose financial report which has been drawn up in accordance with applicable accounting standards, other pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001.

(a) Basis of Accounting

The financial report has been prepared on the historical cost basis and except where stated does not take into account current valuations of non-current assets.

The carrying amounts of non-current assets do not exceed the net amounts that are expected to be recovered through cash inflows and outflows arising from continued use and subsequent disposal. The expected net cash flows included in determining the recoverable amounts have not been discounted to their present values.

(b) Consolidation

During the financial year ended 30 June 2002, the company disposed of its subsidiary (refer Note 20). In accordance with the requirements of AASB 1034 "Financial Reporting Presentation and Disclosure", comparative information for the parent entity only has been disclosed.

(c) Going Concern

The Directors are investigating various business opportunities. They have access to funding as required to meet the operating costs of the Company. The Directors have agreed to defer all outstanding Directors fees until completion of a rights issue, or until business activities generate sufficient working capital.

(d) Revenue Recognition

Revenue from the sale of goods is recognised when control of the goods has passed to the buyer, the amount of revenue can be measured reliably and it is probable it will be received by the Company.

Revenue from the rendering of services is recognised when the outcome of a contract to provide services can be estimated reliably. Revenue is recognised by reference to the percentage of services performed.

(e) Income Tax

Tax effect accounting procedures are followed whereby the income tax expense in the Statement of Financial Performance is matched with the accounting profit after allowing for permanent differences and income tax under/over provided in the previous year. The deferred tax asset relating to tax losses is not carried forward as an asset unless the benefit can be regarded as being virtually certain of realisation.

(f) Receivables

All receivables are recognised at the amount receivable and collectability is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off. A provision for doubtful debts is raised where doubt as to collection exists.

(g) Payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid.

NOTES TO THE STATEMENT OF CASH FLOWS

(i) Reconciliation of Cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	30 June 2003 $	30 June2002 $
Cash	54,384	41,239

(ii) Reconciliation of Net Cash Provided By Operating Activities to Operating Loss After Income Tax

	30 June 2003 $	30 June2002 $
Operating Profit/(Loss) After tax	(321,944)	1,622,196
Depreciation/Amortisation of Non-Current assets		39
Loans forgiven	-	(1,855,642)
Gain/(loss) in Disposal of Non Current Assets	-	475
Write down of Intangible assets	-	60,000
Changes in Assets and Liabilities:		
(Increase)/Decrease in receivables	2,081	(7,029)
Increase/(decrease) in accounts payable	106,258	(337,095)
Net Cash Utilised by Operating Activities	(213,605)	(517,056)