MONTERAY GROUP LIMITED

Appendix 4D

Half-yearly preliminary final report

Period ending 31 December 2008

For announcement to the market

Revenues from ordinary activities	up	69.7%	to	$839,766
(Loss) from ordinary activities after tax attributable to members	up	59.4%	to	$(1,632,227)
Net (loss) for the period attributable to members	up	59.4%	to	$(1,632,227)

No final dividend has been declared for the current year and no dividend was declared or paid for the previous year.

The net tangible assets (NTA) per security as at 31 December 2008 was ($0.0322); (2007: $0.0229).

The accounts have been reviewed.

Monteray Group Limited
ACN 062 959 540

PO Box 40, Surfers Paradise Qld 4217, Australia
Ph: +61-7-5538 2558 Fax: +61-7-5526 8922

MONTERAY GROUP LIMITED
ACN 062 959 540

DIRECTORS' REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

The Directors present the following report for the half-year ended 31 December 2008:

DIRECTORS

The Directors of Monteray Group Limited in office at any time during the half year and until the date of this report are set out below:

Name	Period of Directorship
Wayne Herbert Jones Chairman / Non-Executive Director	Director since 2008
Kevin John Dart Non-Executive Director	Director since 2005
Steven Allan Cole Non-Executive Director	Director since 2008
Christopher Simon Purdie Non-Executive Director	Appointed 1 December 2008

REVIEW OF OPERATIONS AND RESULTS

Net loss after income tax of the economic entity for the six months ended 31 December 2008 was $1,632,227 (2007: Loss $1,023,955).

The GPen business is accounted for in the consolidated accounts for the current financial period. The contribution by GPen Pty Ltd to the economic entity's result is a loss of $1,254,377 (2007: $642,294) due to the write down of Intellectual Property referred to in note 2.

The company has continued to evaluate other investment opportunities.

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The Auditor's Independence Declaration is set out on page 2 and forms part of the Director's Report for the half year ended 31 December 2008.

Signed in accordance with a resolution of the Directors.

W Jones
Chairman
23 February 2009
Gold Coast

PKF

Chartered Accountants
& Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As auditor for the review of the financial report of Monteray Group Limited for the half year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Monteray Group Limited and the entities it controlled during the half year ended 31 December 2008.

J A Mooney
Partner

PKF

23 February 2009
Melbourne

Tel: 61 3 9603 1700 | Fax: 61 3 9602 3870 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 14, 140 William Street | Melbourne | Victoria 3000 | Australia
GPO Box 5099 | Melbourne | Victoria 3001

PKF

Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MONTERAY GROUP LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Monteray Group Limited, which comprises the consolidated balance sheet as at 31 December 2008, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2008 or from time to time during the half year ended on that date.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Monteray Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year 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*.

Tel: 61 3 9603 1700 | Fax: 61 3 9602 3870 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 14, 140 William Street | Melbourne | Victoria 3000 | Australia
GPO Box 5099 | Melbourne | Victoria 3001

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Monteray Group Limited is not in accordance with the Corporations Act 2001 including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of Matter - Material Uncertainty Regarding Continuation As A Going Concern

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

As referred to in Note 1(c) "Going Concern" to the financial statements, the consolidated entity incurred a loss for the half year ended 31 December 2008 of $1,632,227. At 31 December 2008 the consolidated entity had an excess of current liabilities over current assets amounting to $2,448,697. These conditions give rise to a material uncertainty which may cast significant doubt about the ability of the consolidated entity to continue as a going concern, and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report has been prepared on a going concern basis and therefore does not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

PKF

J A Mooney
Partner

23 February 2009
Melbourne

DIRECTORS' DECLARATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

In the opinion of the directors of Monteray Group Limited ("the Company"):

1. the financial statements and notes set out on pages 6 to 11, are in accordance with the Corporations Act 2001 including:

   (a) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2008 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and

   (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

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

Dated at Gold Coast this 23rd day of February 2009.

Signed in accordance with a resolution of the directors:

W Jones
Chairman

INCOME STATEMENT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

	CONSOLIDATED	
	31-Dec-08	**31-Dec-07**
	$	**$**
Revenue from continuing activities	839,766	494,781
Administration expenses	(130,201)	(138,835)
Director benefits	(78,480)	(48,000)
Finance costs	(125,938)	(65,606)
Impairment loss	(1,462,734)	-
Personnel expenses	(386,981)	(806,684)
Professional fees	(38,973)	(227,633)
Amortisation	(101,106)	(101,106)
Other expenses from continuing activities	(147,580)	(130,872)
Loss before income tax from continuing activities	(1,632,227)	(1,023,955)
Income tax expense	-	-
Net loss attibutable to the members of Monteray Group Limited	(1,632,227)	(1,023,955)
Basic loss per share (cents per share)	(2.18)	(1.37)
Diluted loss per share (cents per share)	(2.18)	(1.37)

The above income statement is to be read in conjunction with the attached notes.

MONTERAY GROUP LIMITED
ACN 062 959 540

BALANCE SHEET
AS AT 31 DECEMBER 2008

	CONSOLIDATED	
	31-Dec-08	30-Jun-08
	$	$
CURRENT ASSETS		
Cash and cash equivalents	9,627	77,890
Trade and other receivables	65,347	65,634
Total current assets	74,974	143,524
NON-CURRENT ASSETS		
Plant and equipment	32,726	23,299
Intangible assets	-	1,563,841
Total non-current assets	32,726	1,587,140
Total assets	107,700	1,730,664
CURRENT LIABILITIES		
Trade and other payables	373,450	344,128
Other financial liabilities	2,118,957	2,119,853
Employee benefits	31,264	50,426
Total current liabilities	2,523,671	2,514,407
Total liabilities	2,523,671	2,514,407
NET ASSETS/(LIABILITIES)	(2,415,971)	(783,743)
EQUITY/(DEFICIENCY)		
Issued capital	4,843,156	4,843,156
Reserves	451,363	451,363
Accumulated losses	(7,710,490)	(6,078,262)
TOTAL EQUITY/(DEFICIENCY)	(2,415,971)	(783,743)

The above balance sheet is to be read in conjunction with the attached notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

	CONSOLIDATED	
	31-Dec-08	31-Dec-07
	$	$
ISSUED CAPITAL		
75,008,122 (2007: 75,007,922) fully paid ordinary shares		
Opening balance	4,843,156	4,842,705
Issued during the period	-	431
Closing balance	4,843,156	4,843,136
RESERVES		
Share Option Reserves		
Opening balance	451,363	451,363
Closing balance	451,363	451,363
ACCUMULATED LOSSES		
Opening balance	(6,078,263)	(4,325,713)
Loss for the period	(1,632,227)	(1,023,955)
Closing balance	(7,710,490)	(5,349,668)
Total Equity	(2,415,971)	(55,169)

The above statement of changes in equity is to be read in conjunction with the attached notes.

CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

	CONSOLIDATED	
	31-Dec-08	**31-Dec-07**
	$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	859,868	468,106
Interest received	900	56
Payments to suppliers and employees	(778,991)	(1,268,398)
Net cash provided by / (utilised in) operating activities	81,777	(800,236)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant and equipment	(23,895)	-
Net cash utilised in investing activities	(23,895)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issues	-	431
Proceeds from / (repayment of) borrowings	(126,145)	746,631
Net cash provided by / (utilised in) financing activities	(126,145)	747,062
Net decrease in cash held	(68,263)	(53,174)
Cash and cash equivalents at beginning of period	77,890	72,858
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	9,627	19,684

The above cash flow statement is to be read in conjunction with the attached notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

1. SUMMARY OF ACCOUNTING POLICIES

(a) Reporting entity

Monteray Group Limited (the "Company") is a company domiciled in Australia. The consolidated financial report of the Company as at and for the six months ended 31 December 2008 comprises the Company and its subsidiaries (together referred to as the "consolidated entity").

The annual financial report of Monteray Group Limited as at and for the year ended 30 June 2008 is available upon request from the Company's registered office at Level 18, 50 Cavill Avenue, Surfers Paradise, Qld 4217 or at P.O. Box 40, Surfers Paradise, Qld 4217

(b) Basis of preparation

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. The half year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report, together with any public announcements made by Monteray Group Limited during the half year ended 31 December 2008 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies applied by the consolidated entity in this consolidated interim financial report are the same as those applied in the financial report as at and for the year ended 30 June 2008.

The accounting policies have been applied consistently by all entities in the consolidated entity.

The half year financial report was approved by the Board of Directors on 23 February 2009.

(c) Going concern

The consolidated entity incurred a loss for the half year ended 31 December 2008 of $1,632,227. At 31 December 2008, the consolidated entity had an excess of current liabilities over current assets of $2,448,697 which includes a loan payable to Charter Pacific Corporation Limited of $2,118,957.

These conditions give rise to a material uncertainty that may cast significant doubt about the ability of the consolidated entity to continue as a going concern without the continued support of the consolidated entity's major shareholder.

The Directors are developing and commercialising the GPen superannuation administration platform as well as continuing to investigate other various business opportunities. They have access to funding to meet the operating costs of the consolidated entity through support provided by Charter Pacific Corporation Limited in the next twelve months.

The financial statements have been prepared on a going concern basis as the directors expect the consolidated entity to be in a position to meet its cash requirements for a minimum period of twelve months from the date of signature of this report to the date of signature of the financial report for the next half year. Charter Pacific Corporation Limited has undertaken to provide financial support to the consolidated entity, to continue its operations until it has sufficient working capital either from business operations or capital raisings to fund its activities.

No adjustments have therefore been made to the recoverable amount and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity be unable to continue as a going concern.

Should the consolidated entity not be able to continue as a going concern it may be required to realise its recorded assets and extinguish its liabilities other than in the ordinary course of business and at amounts different to those recorded in the financial report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

2. IMPAIRMENT LOSS

The directors have considered the current economic conditions in the financial services sector and the performance of the Gpen business against the forecasts used at 30 June 2008. This review has identified indicators of impairment in the value of the Intellectual Property carried in the books of Gpen at 31 December 2008.

The directors have reassessed the maintainable future cash flows of Gpen and with revised assumptions, the discounted cash flow model does not provide sufficient support for the Directors to attribute a value for the Intellectual Property under AASB 136, and as such the directors have concluded that it is impaired at 31 December 2008, and have written its value down to nil.

3. SEGMENT INFORMATION

	Software Development & Commercialisation	Investment	Consolidated
31-Dec-08	$	$	$
Revenue	838,866	900	839,766
Capital expenditure	1,705	22,190	23,895
Depreciation	7,758	576	8,334
Amortisation	101,106	-	101,106
Results	(1,254,377)	(377,850)	(1,632,227)
31-Dec-07			
Revenue	436,725	58,056	494,781
Capital expenditure	8,615	-	8,615
Depreciation	7,871	-	7,871
Amortisation	101,106	-	101,106
Results	(642,294)	(381,661)	(1,023,955)

4. SIGNIFICANT AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial period which have significantly affected or may significantly affect the operations of the consolidated entity, the results of the operations, or the state of affairs of the consolidated entity in future financial periods.

5. CONTINGENT LIABILITIES AND ASSETS

There has been no change in contingent assets or contingent liabilities since the last annual report date.