

APPENDIX 4E

PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2004

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Results for Announcement to the Market

				\$
Revenue from ordinary activities	Up	103%	to	1,900,988
Loss from ordinary activities after tax attributable to members	Down	18%	to	(657,525)
Net loss for the year attributable to members	Down	18%	to	(657,525)

Dividends/Distributions

No interim dividend was paid during the year and it is not proposed to pay a final dividend for the year.

Details of entities over which control has been gained or lost during the year

Name of Entity: Bull Capital Limited

Date of Loss of Control: 9 December 2003

Contribution to profit/(loss) from ordinary activities: \$36,832 (2003: (\$41,245))

Brief explanation of any of the figures reported above:

The Company's focus during the year ended 30 June 2004 was the management and development of the model and talent agencies in Perth, Sydney and Melbourne, with the later agency experiencing pleasing organic growth from a start up situation. Also, as reported, the Company was working with parties having connections into Asia, principally China, with a view to secure an interest in exploration and resource projects in the region.

Commentary

Overview

The loss after income tax for the year ended 30 June 2004 for the Company was \$657,525 (2003: \$798,983), which was 18% lower than the previous year.

The loss per share was 0.32 cents (2003: 0.49 cents)

Significant Changes

The following significant changes occurred during the financial year:

- (a) In the last quarter of 2003, the Company raised \$ 575,000 in new capital, by the issue of 57,650,000 ordinary fully paid shares at an issue price of 1 cent, together with 57,650,000 free attaching options.
- (b) On 4 February 2004, the Company signed a Memorandum of Understanding with Westralian Resources Pty. Ltd., to investigate resource opportunities in China.

Results Comparison

(i) Revenue

Revenue from ordinary activities for the year increased by 103% due principally to an increase in the modelling and promotion income in the Company's wholly owned subsidiary company Scene Model Management Pty Ltd. Following the establishment of Scene's Melbourne office in early 2003, revenue growth has been stronger during this period.

(ii) Net Loss

The Company's net loss after tax for the year of \$657,525 was 18% lower than the previous year. The major items making up this figure were:

1. Operations of Scene Model Management were expanded nationally during the year, contributing to significantly higher operating costs;
2. Despite an overall reduction in the administration, employee and consultants costs of the company, they represent significant expenditures incurred in operating the business;
3. The company maintained a prudent strategy of writing down investments to realisable value.

(ii) Overview

The Company continued to develop and expand the operations of Scene Model Management, which resulted in the increased revenue reported.

At the same time the Company focused on evaluating a number of new business opportunities, and in February 2004 announced its intention to join in the investigation of resource projects in China.

Audit of the Financial Report

The report is in the process of being audited.

Preliminary Consolidated Statement of Financial Performance

	Notes	Consolidated		Parent Entity	
		2004 \$	2003 \$	2004 \$	2003 \$
Revenue from Ordinary Activities	1	1,900,988	935,658	44,591	240,017
Cost of sales		-	22,279	-	-
Borrowing costs		43	1,695	43	1,536
Employee & consultants' costs		622,022	711,029	199,299	352,626
Goodwill amortisation		234,929	215,088	-	-
Model agency costs		1,241,875	142,211	-	-
Corporate expenses		31,162	79,684	31,162	79,684
Provision for diminution in value of investments		22,661	20,160	374,176	403,289
Occupancy costs		101,711	106,219	8,540	12,763
Mineral tenement acquisition and exploration expenditure written off		137	105,670	137	97,669
Administration		303,973	336,280	67,860	89,468
Total Expenses	2	2,558,513	1,740,315	681,217	1,037,035
Loss from ordinary activities before income tax expense		657,525	804,657	636,624	797,018
Income tax (credit)/expense attributable to operating loss	3	-	(5,674)	-	-
Operating loss after income tax		657,525	798,983	636,626	797,018
Operating loss after income tax attributable to members of the Company	15(b)	657,525	798,983	636,626	797,018

The statement of financial performance should be read in conjunction with the accompanying notes.

Preliminary Consolidated Statement of Financial Position

	Notes	Consolidated		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
CURRENT ASSETS					
Cash assets		255,246	216,420	254,430	214,885
Receivables	5	267,069	178,019	5,636	-
Inventories	6	-	1,437	-	-
TOTAL CURRENT ASSETS		522,315	395,876	260,066	214,885
NON-CURRENT ASSETS					
Receivables	7	-	-	-	180,855
Other financial assets	8	-	-	129,824	262,921
Plant and equipment	9	23,124	66,895	3,124	3,173
Intangible assets	10	129,824	384,753	-	-
Deferred exploration, evaluation and development costs	11	74,117	-	74,117	-
TOTAL NON-CURRENT ASSETS		227,065	451,648	207,065	446,949
TOTAL ASSETS		749,380	847,524	467,131	661,834
CURRENT LIABILITIES					
Payables		203,177	296,531	-	138,080
Interest bearing liabilities	12	68,412	26,934	-	-
Provisions	13	47,254	-	16,000	-
TOTAL LIABILITIES		318,843	323,465	16,000	138,080
NET ASSETS		430,537	524,059	451,131	523,754
EQUITY					
Contributed equity	14	20,973,591	20,409,588	20,973,591	20,409,588
Reserves	15(a)	283,985	283,985	283,985	283,985
Accumulated losses	15(b)	(20,827,039)	(20,169,514)	(20,806,445)	(20,169,819)
TOTAL EQUITY		430,537	524,059	451,131	523,754

The statement of financial position should be read in conjunction with the accompanying notes.

Preliminary Consolidated Statement of Cash Flows

	Consolidated		Parent Entity	
	2004 \$	2003 \$	2004 \$	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments to suppliers and employees	(2,335,769)	(1,190,671)	(432,569)	(226,566)
Receipts from customers	1,780,564	614,536	-	-
Income tax refund / (paid)	-	5,674	-	-
Interest received	14,005	8,409	7,894	8,268
Interest paid	-	-	-	-
NET CASH FLOWS USED IN OPERATING ACTIVITIES (Note 17(b))	(541,200)	(562,052)	(424,675)	(218,298)
CASH FLOWS FROM INVESTING ACTIVITIES				
Exploration expenditure	(74,254)	-	(74,254)	-
Web site development costs	-	-	-	-
Net cash inflow from disposal and acquisition of companies and businesses	51,272	136,263	51,272	-
Acquisition of subsidiary companies	-	-	(75,145)	(78,550)
Advances to controlled entities	-	-	-	(180,855)
Proceeds from sale of plant & equipment	1,434	-	1,434	-
Acquisition of plant and equipment	(3,907)	(66,863)	(3,090)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	(25,455)	69,400	(99,783)	(259,405)
CASH FLOWS FROM FINANCING ACTIVITIES				
Borrowings raised / (repaid)	-	20,000	-	20,000
Cash proceeds from issue of shares and options	575,000	580,100	575,000	580,100
Prospectus and share issue costs	(10,997)	(13,600)	(10,997)	(13,600)
NET CASH FLOWS FROM FINANCING ACTIVITIES	564,003	586,500	564,003	586,500
NET INCREASE / (DECREASE) IN CASH HELD	(2,652)	93,848	39,545	108,797
Add cash at the beginning of the financial year	189,486	95,638	214,885	106,088
CASH AT THE END OF THE FINANCIAL YEAR (Note 17(a))	186,834	189,486	254,430	214,885

The statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Preliminary Consolidated Financial Statements

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
1. REVENUE FROM ORDINARY ACTIVITIES				
Operating activities				
Sales revenue	-	37,693	-	-
Agency fees	1,818,508	622,541	-	-
Interest - other persons/corporations	14,005	8,409	13,530	8,268
	<u>1,832,513</u>	<u>668,643</u>	<u>13,530</u>	<u>8,268</u>
Non-operating activities				
Proceeds from sale of assets	51,272	222,460	51,272	222,460
Other revenue	37,914	44,555	500	9,289
	<u>89,186</u>	<u>267,015</u>	<u>51,772</u>	<u>231,749</u>
2. EXPENSES AND LOSSES/(GAINS)				
Depreciation of non-current assets	45,227	9,774	687	1,757
Amortisation of goodwill	71,144	71,166	-	-
Amortisation of Web Site	-	3,303	-	3,303
Provision for diminution in value of goodwill	163,785	143,922	-	-
Rental – operating leases	97,256	102,377	12,358	16,329
Loss on sale/scraping of assets	2,452	7,707	2,452	7,707
Foreign exchange loss	-	4,192	-	-
Provision for doubtful debts no longer required	-	-	-	-
Provision for diminution in value of subsidiary companies	-	-	374,176	383,129
Provision for diminution in value of investments	22,661	20,160	-	20,160
	<u>22,661</u>	<u>20,160</u>	<u>-</u>	<u>20,160</u>

Notes to the Preliminary Consolidated Financial Statements (Continued)

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
3. INCOME TAX EXPENSE				
(a) The prima facie tax benefit at 30% on operating loss is reconciled to the income tax provided in the statement of financial performance as follows:				
Operating loss	656,664	798,983	636,626	797,018
Prima facie income tax benefit	(196,999)	(239,645)	(190,988)	(239,105)
Tax effect of permanent differences:				
Amortisation of intangibles			-	-
Exploration written off			-	29,301
Investments & loans written off / provided against			112,253	90,987
Other non-deductible items			-	15,000
Provision for non-recovery of loans and investments in controlled & other entities reversed			-	-
Income tax benefit adjusted for permanent differences			(78,735)	(103,817)
Income tax benefit not brought to account			78,735	103,817
Income tax attributable to operating losses			-	-
(b) Future income tax benefit at 30% (2003 – 30%) arising from income tax losses is not brought to account at balance date as realisation of the benefit is not regarded as virtually certain				
Revenue losses			778,735	700,000
Capital losses			600,000	600,000

The benefit of tax losses will only be obtained if:

- the entities derive future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised; and
- the entities continue to comply with the conditions for deductibility imposed by tax legislation; and

no changes in tax legislation adversely affect the entities in realising the benefits from the deductions for the losses.

Notes to the Preliminary Consolidated Financial Statements (Continued)

	Consolidated	
	2004	2003
4. EARNINGS PER SHARE		
Basic loss per share	0.32 cents	0.49 cents
Diluted loss per share	0.32 cents	0.49 cents
	No.	No.
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	202,642,140	163,231,960
	\$	\$
Earnings used in the calculation of basic and diluted loss per share	657,525	798,983

The Company had 88,929,233 (2003 – 88,929,233) options over fully paid ordinary shares on issue at balance date. Options are considered to be potential ordinary shares. However, they are not considered to be dilutive in nature as their exercise will not result in a diluted earnings per share, which shows an inferior view of the Company's earnings performance compared to the basic earning per share stated above. The options have not been included in the determination of basic earnings per share.

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
5. RECEIVABLES (CURRENT)				
Trade debtors	247,707	192,036	-	-
Provision for doubtful debts	(30,000)	(30,000)	-	-
	217,707	162,036	-	-
Sundry debtors	49362	15,983	5,636	-
	267,069	178,019	5,636	-
6. INVENTORY				
Finished goods at cost	-	1,437	-	-
7. RECEIVABLES (NON-CURRENT)				
Loans to associated entities	-	-	-	180,855

Notes to the Preliminary Consolidated Financial Statements (Continued)

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
8. OTHER FINANCIAL ASSETS				
Investment in controlled entities - unlisted shares at cost	-	-	907,500	690,050
Provision for diminution	-	-	(777,675)	(427,129)
	-	-	129,825	262,921
Other investments – unlisted – shares at cost	-	234,608	-	234,608
Provision for diminution in value	-	(234,608)	-	(214,448)
	-	-	-	20,160
Total other financial assets	-	-	129,824	262,921

BKM Management Limited is the parent entity in the economic entity. Controlled entities (100% control) comprise:

- Scene Model Management Pty Ltd, which operates all modelling activities in Australia
- Elite Models (Australia) Pty Ltd which is dormant.

The ultimate recoupment of the carrying value of the economic entity's investments in its subsidiary companies is dependent upon managing the modelling business.

9. PLANT AND EQUIPMENT

Plant and equipment - at cost	42,718	84,691	5,990	8,351
Less accumulated depreciation	(19,594)	(17,796)	(2,866)	(5,178)
Plant and equipment - written down value	23,124	66,895	3,124	3,173

Reconciliations of the carrying amounts for
Plant and equipment are set out below:

Carrying amount at beginning of year	66,895	9,806	3,173	5,346
Additions	3,973	66,863	3,090	0
Additions – through purchase of business	0	0	0	0
Disposals	(2,517)	0	(2,452)	(416)
Depreciation	(45,227)	(9,774)	(687)	(1,757)
Carrying amount at end of year	23,124	66,895	3,124	3,173

Notes to the Preliminary Consolidated Financial Statements (Continued)

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
10. INTANGIBLE ASSETS				
Goodwill - cost	569,148	589,148	-	-
Provision for diminution in value	(278,785)	(115,000)	-	-
Provision for amortisation	(160,539)	(89,395)	-	-
	<u>129,824</u>	<u>384,753</u>	-	-
Web site development costs - cost	-	11,010	-	11,010
Provision for amortisation	-	(3,303)	-	(3,303)
Written off during the year	-	(7,707)	-	(7,707)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Carrying amount at end of year	-	384,753	-	-
11. DEFERRED EXPLORATION, EVALUATION AND DEVELOPMENT COSTS				
Mineral interest acquisition and exploration costs - at cost brought forward	-	98,590	-	90,590
Expenditure re-assigned from controlled entity	-	-	-	-
Exploration expenditure (refunds) during the year	74,254	7,080	74,254	7,079
Exploration and acquisition expenditure written off during the year	(137)	(105,670)	(137)	(97,669)
Cost carried forward	<u>74,117</u>	<u>-</u>	<u>74,117</u>	<u>-</u>
12. INTEREST BEARING LIABILITIES				
Bank overdraft	<u>68,412</u>	<u>26,934</u>	<u>-</u>	<u>-</u>
13. PROVISIONS				
Provision for employee entitlements	<u>47,254</u>	<u>-</u>	<u>16,000</u>	<u>-</u>
14. CONTRIBUTED EQUITY				
(i) Issued Capital				
231,317,140 (2003 – 173,817,140) ordinary shares fully paid	<u>20,973,591</u>	<u>20,409,588</u>	<u>20,973,591</u>	<u>20,409,588</u>

Notes to the Preliminary Consolidated Financial Statements (Continued)

14. CONTRIBUTED EQUITY (cont'd)

Terms and condition of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of, and amounts paid up on, shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(ii) Shares Issued During the Year

During the year the Company issued the following ordinary fully paid shares to provide funds for the acquisition and development of the Company's business and for working capital purposes:

	Details	Number of Shares	Issue Price	\$
1 August 2002	Issue pursuant to Offer Information Statement	20,403,520	2.5 cents	510,088
31 October 2002	Share issue	4,500,000	2 cents	90,000
31 October 2002	Share issue	952,381	2.1 cents	20,000
19 November 2002	Options exercised	1,000	10 cents	100
9 December 2002	Placement	12,500,000	2 cents	250,000
5 May 2003	Share issue	1,750,000	1 cent	17,500
	Share issue expenses	-		(13,600)
30 June 2003	Closing balance	<u>173,817,140</u>		<u>20,409,588</u>
1 July 2003	Opening Balance	173,817,140		20,409,588
1 November 2003	Share issue	20,000,000	1 cent	200,000
14 November 2003	Share issue	10,500,000	1 cent	15,000
18 December 2003	Employee share plan	150,000	0 cents	-
19 December 2003	Share issue	27,000,000	1 cent	270,000
	Share issue expenses	-		(10,997)
30 June 2004	Closing balance	<u>231,467,140</u>		<u>20,883,591</u>

(iii) Share Options

Options to take up ordinary shares in the capital of the Company have been granted as follows:

Exercise Period	Exercise Price	Opening Balance	Options Issued	Options Exercised	Options Expired	Closing Balance
31/1/2005	10 cents	88,929,233	-	-	-	88,929,233
30/6/2008	4 cents	-	57,650,000	-	-	57,650,000
		<u>88,929,233</u>	<u>57,650,000</u>	-	-	<u>146,579,233</u>

During the year 57,650,000 options were issued for no consideration. No options were exercised during the year. No person entitled to exercise any of the issued options had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Notes to the Preliminary Consolidated Financial Statements (Continued)

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
15. RESERVES AND ACCUMULATED LOSSES				
(a) Reserves				
Option premium reserve				
Balance at beginning of year	283,985	283,985	283,985	283,985
Issue of options during the year	-	-	-	-
Balance at end of year	283,985	283,985	283,985	283,985
(b) Accumulated Losses				
Balance at the beginning of the year	(20,169,514)	(19,370,531)	(20,169,819)	(19,372,801)
Net loss for the year	(657,525)	(798,983)	(636,626)	(797,018)
Balance at end of year	(20,827,039)	(20,169,514)	(20,806,445)	(20,169,819)

16. NET TANGIBLE ASSETS PER SHARE

Net tangible assets per share	0.11 cents	0.085 cents
	<u>No.</u>	<u>No.</u>
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	202,642,140	163,231,960
	<u>\$</u>	<u>\$</u>
Net tangible assets used in the calculation of net tangible assets per share	226,596	139,306

17. STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash	255,246	216,420	254,430	214,885
Bank overdraft	(68,412)	(26,934)	0	0
	186,834	189,486	254,430	214,885

Notes to the Preliminary Consolidated Financial Statements (Continued)

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
17. STATEMENT OF CASH FLOWS (Cont'd)				
(b) Reconciliation of the operating loss to the net cash flows used in operating activities				
Operating loss	(657,525)	(798,983)	(636,624)	(797,018)
Less: non-cash expenses / (income)				
Depreciation and amortisation	44,540	84,243	687	5,060
Exploration and acquisition expenditure (profit) / write-off	137	(123,870)	137	90,590
Goodwill written down	234,929	143,922	-	-
Provision for doubtful debts	-	30,000	-	-
(Profit)/Loss on sale of assets	(52,229)	7,707	(35,335)	7,707
Expenses paid in shares	-	49,036	-	49,036
Provision for non-recoverability of advances to / investment in controlled and other entities	22,661	20,160	374,176	403,289
Changes in assets and liabilities				
Receivables decrease / (increase)	(89,050)	(98,662)	(5,636)	-
Inventory decrease / (increase)	1,437	1,081	-	-
Payables increase / (decrease)	(93,354)	123,314	(138,080)	20,237
Provisions increase / (decrease)	47,254	-	16,000	-
Net cash used in operating activities	(541,200)	(562,052)	(424,675)	(218,298)

(c) Unused credit facilities

At 30 June 2004 and at 30 June 2003 the consolidated entity and Company had no unused credit facilities.

Notes to the Preliminary Consolidated Financial Statements (Continued)

17. SEGMENT INFORMATION

Primary reporting – Business segments.

The consolidated entity's primary business segment is its modelling agency operations which are carried out in Australia.

	Modelling \$	Exploration \$	Investment \$	Total \$
30 June 2004				
Sale revenue from parties outside the economic entity	1,841,982	-	-	1,841,982
Other revenue – proceeds on sale of business	-	-	45,001	45,001
Other revenue – interest	14,005	-	-	14,005
Total revenue	1,855,987	-	45,001	1,900,988
Segment losses before income tax	(688,086)	-	30,561	(657,525)
Income tax	-	-	-	-
Segment losses after income tax	(688,086)	-	30,561	(657,525)
Segment Assets	412,073	74,117	337,307	749,380
Segment Liabilities	3002,843	-	16,000	318,843
Depreciation & amortisation expense	44,540	-	687	45,227
	Modelling \$	Exploration \$	Surf accessories \$	Total \$
30 June 2003				
Sale revenue from parties outside the economic entity	667,096	-	37,693	704,789
Other revenue – proceeds on sale of Wet Dreams	-	222,460	-	222,460
Other revenue – interest	8,409	-	-	8,409
Total revenue	675,505	222,460	37,693	935,658
Segment losses before income tax	730,328	31,211	43,118	804,657
Income tax	(5,674)	-	-	(5,674)
Segment losses after income tax	724,654	31,211	43,118	798,983
Segment Assets	842,761	-	4,763	847,524
Segment Liabilities	317,134	-	6,331	323,465
Depreciation & amortisation expense	199,243	-	28,922	228,165