

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

LongReach Group Limited

ABN

57 010 597 672

Quarter ended ("current quarter")

31 March 2008

Consolidated statement of cash flows

	Current quarter (Jan-Mar 2008) \$A'000	Year to date (9 months to 31 March 2008) \$A'000
1.1 Receipts from customers	3,847	15,780
1.2 Payments for		
(a) staff costs	(2,026)	(5,857)
(b) advertising and marketing	(72)	(260)
(c) research and development	-	-
(d) leased assets (operating leases)	(65)	(215)
(e) other working capital	(2,154)	(10,423)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	51	100
1.5 Interest and other costs of finance paid	(178)	(466)
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net operating cash flows	(597)	(1,341)

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	Current quarter (Jan-Mar 2008) \$A'000	Year to date (9 months to 31 March 2008) \$A'000
1.8 Net operating cash flows (carried forward)	(597)	(1,341)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	(1,174)
(b) equity investments	-	-
(c) development costs capitalised	(344)	(585)
(d) physical non-current assets	(181)	(331)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	8,643	8,643
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other	-	-
Net investing cash flows	8,118	6,553
1.14 Total operating and investing cash flows	7,521	5,212
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc. (share buy back)	570	570
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings (net)	-	-
1.18 Repayment of borrowings (net)	(454)	(421)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	116	149
Net increase (decrease) in cash held	7,637	5,361
1.21 Cash at beginning of quarter/year to date	1,337	3,613
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	8,974	8,974

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Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	96
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

The aggregate payment comprises directors' fees, remuneration and includes the remuneration of executive directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None in the current quarter or year to date.

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

None

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Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan and overdraft facilities	-	-
3.2 Credit standby arrangements		

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter (Jan-Mar 2008) \$A'000	Previous quarter (Oct-Dec 2007) \$A'000
4.1 Cash on hand and at bank	1,118	1,120
4.2 Deposits at call	7,856	217
4.3 Bank overdraft		-
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	8,974	1,337

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Acquisitions and disposals of business entities

	Acquisitions (\$A) <i>(Item 1.9(a))</i>	Disposals (\$A) <i>(Item 1.10(a))</i>
5.1 Name of entity	a) C4i Pty Ltd (formerly named Redflex Communications Systems Pty Ltd) acquired on 12 December 2006 with final deferred consideration payment on 14 September 2007.	ServicePoint Australia Pty Ltd was disposed of on 29 February 2008.
5.2 Place of incorporation or registration	a) VIC, Australia	NSW, Australia
5.3 Consideration for acquisition or disposal	a) C4i Pty Ltd consideration consisted of: <ul style="list-style-type: none"> • Cash payment of \$4,000,000 • 2nd tranche and final deferred consideration payment of \$1,174,000 made on 14 September 2007 	Gross cash consideration of \$9million received, with a final adjustment in the price upwards or downwards to the extent that the final net asset value exceeds or is less than \$2.1 million.
5.4 Total net assets	a) C4i Pty Ltd - \$8,169,356	Final net asset value not yet determined, with an estimate of between \$2.3 million and \$3.3 million.
5.5 Nature of business	a) C4i is an experienced turnkey systems supplier, integrator and maintainer of communications, command and control systems for defence and civil customers around the world.	ServicePoint Australia is a provider of integrated videoconferencing systems and services.

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 30 April 2008
(Chief Financial Officer)

Print name: William John Masson

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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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