

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

**LongReach Group Limited**

ABN

57 010 597 672

Quarter ended ("current quarter")

30 June 2008

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter (Apr-Jun 2008) \$A'000	Year to date (12 months to 30 June 2008) \$A'000
1.1 Receipts from customers	2,536	17,816
1.2 Payments for		
(a) staff costs	(1,947)	(8,303)
(b) advertising and marketing	(28)	(289)
(c) research and development	-	-
(d) leased assets	(11)	(226)
(e) other working capital	(1,158)	(10,581)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	127	227
1.5 Interest and other costs of finance paid	(115)	(581)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>(596)</b>	<b>(1,937)</b>

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	Current quarter (Apr-Jun 2008) \$A'000	Year to date (12 months to 30 June 2008) \$A'000
1.8 Net operating cash flows (carried forward)	<b>(596)</b>	<b>(1,937)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	(1,174)
(b) equity investments	-	-
(c) development costs capitalised	(276)	(892)
(d) physical non-current assets	-	(293)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	8,636
(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 (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(276)</b>	<b>6,277</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(872)</b>	<b>4,340</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	570
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	(619)	(1,040)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
<b>Net financing cash flows</b>	<b>(619)</b>	<b>(470)</b>
<b>Net increase (decrease) in cash held</b>	<b>(1,491)</b>	<b>3,870</b>
1.21 Cash at beginning of quarter/year to date	8,974	3,613
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	<b>7,483</b>	<b>7,483</b>

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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

**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

**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 facilities	-	-
3.2	Credit standby arrangements	-	-

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**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 (Apr-Jun 2008) \$A'000	Previous quarter (Jan-Mar 2008) \$A'000
4.1	Cash on hand and at bank	1,081	1,118
4.2	Deposits at call	6,402	7,856
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.23)		<b>7,483</b>	<b>8,974</b>

**Acquisitions and disposals of business entities**

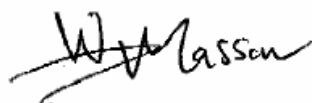
	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	C4i Pty Ltd acquired on 12 December 2006 with a final deferred consideration payment on 14 September 2007.
5.2	Place of incorporation or registration	VIC, Australia
5.3	Consideration for acquisition or disposal	ServicePoint Australia Pty Ltd disposed of on 29 February 2008.
5.3	Consideration for acquisition or disposal	Cash consideration of \$9 million received, with a final adjustment in the price subject 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	The C4i Pty Ltd consideration consisted of: <ul style="list-style-type: none"> <li>Cash payment of \$4,000,000 on date of acquisition; and</li> <li>Final deferred consideration of \$1,174,000 made on 14 September 2007.</li> </ul>
5.4	Total net assets	C4i Pty Ltd net assets at date of acquisition - \$8,169,356
5.5	Nature of business	Final net asset value has not yet been agreed with an estimate of between \$2.4 million and \$3.3 million.
5.5	Nature of business	C4i is an experienced turnkey systems supplier, integrator and maintainer of communications, command and control systems for defence, government and civil customers around the world.
5.5	Nature of business	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:

Chief Financial Officer

Date: 31 July 2008

Print name: William John Masson

## 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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