

# Appendix 4C

## Quarterly Cash Flow Report

Name of entity

**QUESTE COMMUNICATIONS LIMITED and controlled entities \***

ACN or ARBN

**081 688 164**

Quarter ended ("current quarter")

**30 June 2003**

### Consolidated statement of cash flows

	Current quarter June 2003 \$' 000	Year to date 12 months \$' 000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from customers	<b>6</b>	<b>89</b>
1.2 Payments for		
(a) staff costs	<b>(188)</b>	<b>(687)</b>
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	<b>5</b>	<b>(333)</b>
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	<b>38</b>	<b>176</b>
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	<b>12</b>
1.7 Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>(139)</b>	<b>(743)</b>

**\* Notes:**

The Company currently holds and has held since August 2002, 48.817% of ASX Listed Central Exchange Ltd's total issued ordinary share capital.

Central Exchange Ltd has been treated as a controlled entity pursuant to Accounting Standard 1024 "Consolidated Accounts" for the first time in the February 2003 Monthly Cash Flow Report.

Previously, the Company had accounted for its investment in Central Exchange Ltd on a equity accounting basis as an Associate entity pursuant to Accounting Standard AASB 1016 'Accounting for Investment in Associates.'

Therefore, this Quarterly Report is for the Company and its controlled entities, including Central Exchange Ltd.

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	Current quarter June 2003 \$' 000	Year to date 12 months \$' 000
1.8 Net operating cash flows (carried forward)	(139)	(743)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	(92)	(92)
(c) intellectual property	-	-
(d) physical non-current assets	(4)	(4)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	1	24
(c) intellectual property	-	-
(d) physical non-current assets	435	435
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Net cash inflow from acquisition of Central Exchange Ltd	-	1,019
<b>Net investing cash flows</b>	<b>340</b>	<b>1,382</b>
1.14 <b>Total operating and investing cash flows</b>	<b>201</b>	<b>639</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
(a) Net proceeds from sale of unmarketable parcels	-	17
(b) Payments to former unmarketable parcels' shareholders	(1)	(23)
(c) Payments in relation to share buy back	-	(16)
<b>Net financing cash flows</b>	<b>(1)</b>	<b>(22)</b>
<b>Net increase (decrease) in cash held</b>	<b>200</b>	<b>617</b>
1.21 Cash at beginning of quarter/year to date	3,262	2,845
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 <b>Cash at end of quarter</b>	<b>3,462</b>	<b>3,462</b>

**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 June 2003 \$' 000
1.24 Aggregate amount of payments to the parties included in item 1.2	<b>89</b>
1.25 Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

(1) \$89,382 - Director salaries, fees and superannuation benefits, of which \$37,352 were paid by Central Exchange Ltd ("CXL") to its own directors.

(2) \$60,719 - Payment received from Central Exchange Ltd pursuant to shared office and administration expenses for December 2002 to June 2003.

**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.

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 \$' 000	Amount used \$' 000
3.1 Loan 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 \$' 000	Previous quarter \$' 000
4.1 Cash on hand and at bank	<b>1,022</b>	<b>274</b>
4.2 Deposits at call	<b>2,440</b>	<b>2,988</b>
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>3,462</b>	<b>3,262</b>

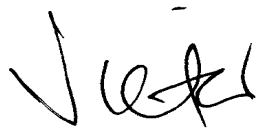
**Acquisitions and disposals of business entities**

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	-	-
5.2 Place of incorporation or registration	-	-
5.3 Consideration for acquisition or disposal	-	-
5.4 Total net assets	-	-
5.5 Nature of business	-	-

**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** /~~does not~~\* (delete one) give a true and fair view of the matters disclosed.

Sign here:



Date: **23 July 2003**

Print name: **Victor Ho  
Company Secretary**

## Notes

- 1.0 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.
- 2.0 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
- 3.0 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.