

# 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

3 Q Holdings Limited

ABN

42089058293

Quarter ended ("current quarter")

31 December 2007

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	3,476	7,066
1.2 Payments for		
(a) staff costs	(1,502)	(3,106)
(b) advertising and marketing	(57)	(104)
(c) research and development		
(d) leased assets		
(e) other working capital	(1,612)	(3,104)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	26	44
1.5 Interest and other costs of finance paid	(122)	(217)
1.6 Income taxes paid	(11)	(35)
1.7 Other (provide details if material)	13	21
<b>Net operating cash flows</b>	<b>211</b>	<b>565</b>

+ See chapter 19 for defined terms.

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	Curent quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	<b>211</b>	<b>565</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for :		
(a) costs incurred on the acquisition of AdvanceRetail Technology Limited.	(38)	(115)
(b) investment in Island Pacific (including costs)	(18,515)	(18,515)
(c ) cash acquired on acquisition of Island Pacific	2,000	2,000
(d) physical non-current assets	(55)	(97)
(e) other non-current assets		
(f) deposit in relation to potential investment		(120)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) listed investments		26
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
(f) refund of exclusivity deposit in relation to investment in Island Pacific	122	122
1.11 Loans to other entities (including staff)	(61)	(118)
1.12 Loans repaid by other entities		
	(16,547)	(16,817)
<b>Net investing cash flows</b>		
<b>1.14 Total operating and investing cash flows</b>	(16,336)	(16,252)
<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	21,982	21,982
1.18 Repayment of borrowings	(3,990)	(4,197)
1.19 Dividends paid		
1.20 Other		
	17,992	17,785
<b>Net financing cash flows</b>		
<b>Net increase (decrease) in cash held</b>	1,656	1,533
1.21 Cash at beginning of quarter/year to date	1,997	2,156
1.22 Translation adjustments	13	(23)
1.23 <b>Cash at end of quarter/year to date</b>	3,666	3,666

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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 and 1.20	(160)
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

Payments to directors or associates of the directors of the entity include payments as part of the director's salary packages including director's fees plus payments for rental of property owned by a related entity of certain of the directors. Also included is an advance to the related entity referred to above.

**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

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

**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 - NAB	19,500	18,579
3.2	Vendor Finance – Island Pacific	3,403	3,403

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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 \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	520	866
4.2 Deposits at call	3,146	1,196
4.3 Bank overdraft		(65)
4.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.23)	3,666	1,997

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	Island Pacific	
5.2 Place of incorporation or registration	US and UK	
5.3 Consideration for acquisition or disposal (Excludes costs of acquisition)	US\$16,000,000	
5.4 Total net assets (includes intellectual property and Goodwill) - Excludes costs of acquisition	US\$16,000,000	
5.5 Nature of business	Retail software solution provider - merchandise planning system for mid-tier specialty retailers	

**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: 31/01/2008

(Director/Company secretary)

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Print name: Alan Treisman.....

## 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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