

# Appendix 4C

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

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

Name of entity

TechStar Limited

ABN

49 089 206 986

Quarter ended ("current quarter")

30<sup>th</sup> June 2005

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (twelve months) \$A'000
1.1 Receipts from customers	29.9	209.6
1.2 Payments for		
(a) staff costs	(111.7)	(440.0)
(b) advertising and marketing	-	(0.1)
(c) research and development	-	(0.3)
(d) leased assets	(1.2)	(4.3)
(e) other working capital	(90.8)	(707.9)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	0.1	0.2
1.5 Interest and other costs of finance paid	(5.6)	(52.3)
1.6 Income taxes paid	-	-
1.7 Other (Export Market Development Grant)	-	11.6
<b>Net operating cash flows</b>	<b>(179.3)</b>	<b>(983.5)</b>

+ See chapter 19 for defined terms.

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	Current quarter \$A'000	Year to date (twelve months) \$A'000
1.8 Net operating cash flows (carried forward)	(179.3)	(983.5)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(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>1.14 Total operating and investing cash flows</b>	(179.3)	(983.5)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	110.9
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	568.8	1,044.6
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (capital raising costs)	-	-
<b>Net financing cash flows</b>	568.8	1,155.5
<b>Net increase (decrease) in cash held</b>	389.5	172.0
1.21 Cash at beginning of quarter/year to date	(340.8)	(123.3)
1.22 Exchange rate adjustments to item 1.20		
1.23 <b>Cash at end of quarter</b>	48.7	48.7

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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	-
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

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	4,358.8	4,358.8
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 \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	48.7	10.4
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	(351.2)
4.4 Term Deposit	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>48.7</b>	<b>(340.8)</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 give a true and fair view of the matters disclosed.

Sign here:   
(Company secretary)

Date: 29<sup>th</sup> July 2005

Print name: Brian Jones

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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.

**ENTITY:** TECHSTAR LIMITED

**ABN:** 49 089 206 986

### **ADDITIONAL INFORMATION**

30<sup>th</sup> June 2005

#### IronBar

The manufacture of additional Reomate prototypes by University of Shanghai, China, and Quoter Architectural Hardware Company, China, has been completed. A visit to Australia to demonstrate these in a working environment is planned for July 2005.

Ironbar has appointed an Australian engineering and design company to assist the development of the next range of production ready prototypes. These will be used to continue current negotiations with a large USA manufacturing and distribution company, and a number of other interested companies in regard to the Reomate & Reotie and products. Once successfully completed this could result in a number of worldwide distribution agreements. It is expected that the company will be divested by the end of calendar 2005.

#### SportzWhistle

J. Hudson and Co (Whistles) Ltd - *Acme Whistles*, have committed to a deposit on the 10,000 unit order placed for the electronic SportzWhistle (subsequently received in July 2005). The order is the result of their sales and marketing efforts, and is for supply to a number of their international customers. Several samples have been redesigned in line with specific ACME client requests, allowing for potential penetration into new marine and safety markets.

SportzWhistle has held initial discussions with the NRMA regarding the possible use of the high level sound and features of the SportzWhistle 'piezo' technology, as a workplace safety product. NRMA is funding initial technical evaluations.

#### Augen Technologies

The co-inventors Dr Gregg Suaning and Prof Nigel Lovell, University of NSW (UNSW), University of Newcastle (UNEW), continue to develop the 'bionic eye' vision prosthesis project at the University of New South Wales and University of Newcastle. Several Research and Development grants are being applied for by the project.

TechStar has identified several potential funding opportunities for this project.

#### Financial Support

Support continues to be provided to TechStar Limited by directors and associated investors when required.

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