

# 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

Avastra Sleep Centres Ltd

ABN

Quarter ended ("current quarter")

47 094 446 803

30 September 2008

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter \$A ' 000	Year to date (3 months) \$A ' 000
1.1 Receipts from customers	10,934	10,934
1.2 Payments for		
(a ) staff costs	(6,679)	(6,679)
(b ) advertising and marketing	(89)	(89)
(c ) research and development		
(d ) leased assets	(54)	(54)
(e ) other working capital	(2,314)	(2,314)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	6	6
1.5 Interest and other costs of finance paid	(106)	(106)
1.6 Income taxes paid	(269)	(269)
1.7 Other (provide details if material)	(1,057)	(1,057)
<b>Net operating cash flows</b>	<b>372</b>	<b>372</b>

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	Current quarter	Year to date (3 months) \$A ' 000
1.8 Net operating cash flows (carried forward)	372	372
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a ) businesses (item 5)	(698)	(698)
(b ) equity investments	-	-
(c ) intellectual property		
(d ) physical non-current assets	(141)	(141)
(e ) other non-current assets	(19)	(19)
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>	(858)	(858)
1.14 <b>Total operating and investing cash flows</b>	(486)	(486)
<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	939	939
1.18 Repayment of borrowings	(415)	(415)
1.19 Dividends paid		
1.20 Cost of raising funds	-	-
<b>Net financing cash flows</b>	524	524
<b>Net increase (decrease) in cash held</b>	38	38
1.21 Cash at beginning of quarter/year to date	1,239	1,239
1.22 Exchange rate adjustments to item 1.20		
1.23 <b>Cash at end of quarter</b>	1,277	1,277

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**Payments to directors of the entity and associates of the directors**  
**Payments to related 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	61
1.25 Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the trasactions

Directors fees and superannuation \$36,557  
Travel cost \$25,080

**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

Year 1 earn-out of somniSleep was satisfied by issue of a promissory note which bears interest at a rate of 8% per annum and requires payments of US\$200,000 in October 2008, US\$200,000 in February 2009 and US\$582,532 in August 2009.

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	1,958	1,681
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	1,277	1,239
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: Cash at the end of quarter (item1.23)</b>	<b>1,277</b>	<b>1,239</b>

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(A))
5.1 Name of entity	Pacific Sleep Medicine Services, Inc.	
5.2 Place of incorporation or registration	California, USA	
5.3 Consideration for acquisition or disposal	US\$300,000 as partial payment related to earn-out deferral, remainder US\$1,200,000 due March 2011.	
5.4 Total net assets	\$7,500,000	
5.5 Nature of business	To operate sleep diagnostic laboratories and supplier of sleep therapeutic equipment	

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(A))
5.1 Name of entity	Sleep Medicine Institute Management LLC	
5.2 Place of incorporation or registration	Washington, USA	
5.3 Consideration for acquisition or disposal	US\$100,000 as partial payment related to earn-out deferral, remainder US\$200,000 due October 2008.	
5.4 Total net assets	Not applicable	
5.5 Nature of business	To operate sleep diagnostic laboratories and supplier of sleep therapeutic equipment	


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	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(A))
5.1 Name of entity	California Sleep Solutions LLC	
5.2 Place of incorporation or registration	California, USA	
5.3 Consideration for acquisition or disposal	US\$173,000 as partial payment related to earn-out deferral, remainder US\$1,444,261 due in quarterly installments through June 2010.	
5.4 Total net assets	US\$717,000	
5.5 Nature of business	To operate sleep diagnostic laboratories and supplier of sleep therapeutic equipment	

**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: 31-Oct-08

Print name Charles King .....

**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.