

APPENDIX 4C – JUNE 2007 FOURTH QUARTER CASH FLOW REPORT

Solco generated a positive operating cash flow for the three months of \$16k. This is the third consecutive quarter of positive operating cash flow.

Cash receipts for the quarter were \$2.6m up by \$0.2m compared to the previous three months.

Cash at bank at the end of this quarter was \$1.03m up by \$0.2m as at 1st April 2007.

This quarter saw an interest free \$0.5m pre-subscription advance from Chairman Steven Cole, which will now be converted into Capital following approval by Shareholders at the EGM on 30th July 2007.

The fourth quarter also concluded the final cash payment of \$335k to the original owners of Solco Industries as per the announcement made on 16th March 2007

For further information contact:

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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

SOLCO LTD

ABN

27 084 656 691

Quarter ended ("current quarter")

30 JUNE 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date
	\$A'000	(12 months) \$A'000
1.1 Receipts from customers	2,607	10,490
1.2 Payments for		
(a) staff costs	(457)	(1,664)
(b) advertising and marketing	(23)	(96)
(c) research and development	(3)	(23)
(d) leased assets	-	-
(e) other working capital	(2,112)	(9,773)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	9	35
1.5 Interest and other costs of finance paid	(5)	(90)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	16	(1,120)

+ See chapter 19 for defined terms.

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	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	16	(1,120)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	(335)	(368)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(21)	(31)
(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	-	140
(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)	-	-
Net investing cash flows	(356)	(259)
1.14 Total operating and investing cash flows	(340)	(1,379)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	1,530
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	500	2,000
1.18 Repayment of borrowings	-	(2,017)
1.19 Dividends paid	-	-
1.20 Other (Finance Leases)	(2)	(61)
Net financing cash flows	498	1,452
Net increase/ (decrease) in cash held	158	73
1.21 Cash at beginning of quarter/year to date	870	955
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	1,028	1,028

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

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	18
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Consultancy fee paid to Director

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

N/A

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

N/A

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	490	2
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	795	623
4.2 Deposits at call	38	52
4.3 Bank overdraft	-	-
4.4 Other (Term Deposit)	195	195
Total: cash at end of quarter (item 1.23)	1,028	870

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
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
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: ..30th July 2007.....
(Company secretary)

Print name: John Beech

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