

Appendix 4C

Quarterly Report for entities admitted on the basis of commitments

Name of entity

SCARBOROUGH EQUITIES LIMITED

ACN or ARBN

58 061 287 045

Quarter Ended

31 December 2005

Consolidated statement of cash flows

	Current Quarter Dec 2005 \$' 000	Year to Date 6 months \$' 000
Cash flows related to operating activities		
1.1 Receipts from customers	2	10
1.2 Payments for		
(a) staff costs	(61)	(100)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(95)	(258)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(165)	(165)
1.7 Other (provide details if material)	-	-
<i>Investment activities as a listed investment entity:</i>		
(a) FSP Equities Leaders' Fund:		
(i) Investments	-	(750)
(ii) Redemptions	751	751
(b) Listed securities:		
(i) Investments	-	-
(ii) Disposals	-	54
Net operating cash flows	432	(454)

	Current Quarter Dec 2005 \$' 000	Year to Date 6 months \$' 000
1.8 Net operating cash flows (carried forward)	432	(454)
Cash flows related to investing activities		
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 <i>Proceeds from return of capital</i>	1	1
Net investing cash flows	1	1
1.14 Total operating and investing cash flows	433	(453)
Cash flows related to financing activities		
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	(452)	(452)
1.20 Other (provide details if material)	-	-
Net financing cash flows	(452)	(452)
Net increase (decrease) in cash held		
1.21 Cash at beginning of month/year to date	20	906
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	1	1

**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 Dec 2005 \$'000
1.24	Aggregate amount of payments to the parties included in item 1.2	(43)
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

1.24 Directors' remuneration paid during the quarter.

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 month (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	1	20
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (Bank Bills)	-	-
Total: cash at end of quarter (item 1.22)	1	20

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

- 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.
- This statement **does** give a true and fair view of the matters disclosed.

Date: 31 January 2006

Victor Ho
Company Secretary

Note:

Scarborough Equities Limited had net assets of \$17.05 million as at 31 December 2005 comprising:

Net Assets	\$'millions
Investment in the FSP Equities Leaders' Fund (FSP Fund) managed by the Company's investment manager, FSP Equities Management Limited (FSP)	16.05
Shares in Drillsearch Energy Limited (DLS)	1.50
Provision for income tax	(0.45)
Net cash on deposit / other assets	(0.05)
Total Net Assets	17.05