

# MARKET RELEASE

## Quarterly Activities Report and Appendix 4C Cashflow Statement

29 April 2016

**Sydney, NSW – NSX Limited (ASX: NSX)** NSX submits the following activities and appendix 4C cashflow statement for the period ended 31 March 2016.

### NSX Limited Corporate Activities

- The net cash outflow for the quarter was \$408,000 (previous quarter: inflow \$4,804,000).
- The difference between the net cash balances as at 31 March 2016 and 31 March 2015 was a net outflow of \$392,000.
- Cash receipts from customers were \$204,000 in the quarter compared to the previous March 2015 quarter of \$249,000 or a decrease of \$45,000.

### National Stock Exchange of Australia (“NSXA”) Business Activities

During the quarter:

- From 1 January 2016 until 31 March 2016 two companies were approved to list with a combined market capitalisation of AUD\$1.5 million. The companies listed were Consolidated Africa Limited (NSXCode: CRA) and Air Change International Limited (NSXCode: AC1).
- There are five listing applications pending at the end of quarter.
- There are no pending participant applications. There are no pending adviser applications.

### SIM Venture Securities Exchange (“SIM VSE”) Business Activities

During the quarter:

- As at 31 March 2016 there was \$533,747 in funding remaining to be received from FEX. On 20 April FEX completed payment of the final tranche of \$533,747.
- There were no new listings or participants approved.

**For further information please contact**

Ann Bowering  
Acting Chief Executive Officer, NSX Limited

**Rule 4.7B**

# Appendix 4C

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

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

NSX Limited

ABN

33 089 447 058

Quarter ended ("current quarter")

31 March 2016

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	204	1,835
1.2 Payments for		
(a) staff costs	(304)	(933)
(b) advertising and marketing	-	(3)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(334)	(1,553)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	27	63
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>(407)</b>	<b>(591)</b>

+ See chapter 19 for defined terms.

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

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(407)	(591)
<b>1.9 Cash flows related to investing activities</b>		
Payment for acquisition of:	-	-
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(1)	(1)
(e) other non-current assets	-	-
<b>1.10 Proceeds from disposal of:</b>		
(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)	-	-
	(1)	(1)
<b>Net investing cash flows</b>		
<b>1.14 Total operating and investing cash flows</b>	(408)	(592)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	5,530
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
<b>Net financing cash flows</b>	-	5,530
<b>Net increase (decrease) in cash held</b>	(408)	4,938
1.21 Cash at beginning of quarter/year to date	7,780	2,434
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	7,372	7,372

**Item 1.15 – Proceeds from share issues**

**SIM Venture Securities Exchange Joint Venture Funding (previous quarter)**

A Joint Venture partnership exists between SIM VSE Group Holdings Ltd and Financial and Energy Exchange Limited (FEX) for the purpose of funding the activities of the SIM Venture Securities Exchange Ltd. The funding amounts to \$3million to be paid by FEX in return for 50% of the issued capital of SIM VSE Group Holdings Ltd the parent of SIM Venture Securities Exchange Ltd.

As at 31 March 2016 \$533,747 in funding remains available to be received by the Joint Venture. In July 2015 FEX contributed \$176,253 where the funds were used to pay the costs associated with the operations of

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the joint venture. On 20 April 2016 FEX completed the final tranche payment of \$533,747 to take their paid up holding in the Joint Venture to 50%.

**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	\$47.2
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Director fees.
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**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

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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

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**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	payment of operating costs as required	112
3.2 Credit standby arrangements	-	-

**Item 3.1 – Loan Facilities: Funding deed with Financial and Energy Exchange Limited (FEX)**

As at 31 December 2015 the amount owing to FEX is \$112,200. The balance relates to services rendered by FEX on behalf of NSX but which have not yet been paid by NSX and is not part of the drawn down. As NSX has been funded by receipts from customers and with the placement completed on 11 December 2015 no drawdown of funding has been required from FEX.

The Board will review the continuation of this arrangement.

**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	5,157	5,552
4.2 Deposits at call	2,215	2,228
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.23)	<b>7,372</b>	<b>7,780</b>

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**Other disclosures required by AASB 107: Cash available for use by the Group.**

**Reconciliation of funding arrangements to support the Equity Exchange operations**

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Total cash at end of quarter (item 1.23)	7,372	7,780
5.2 Cash Deposits held for Equity Markets Compensation Arrangements.	(1,700)	(1,700)
5.3 Cash Deposit held while National Stock Exchange of Australia is registered as a General Settlement Participant of ASX Settlement Pty Ltd.	(500)	(500)
5.4 Other Bank Guarantees (as detailed below)	(15)	(15)
<b>Total: cash on hand and at bank (item 4.1)</b>	<b>5,157</b>	<b>5,552</b>

**Item 5.2 - Equity Markets Compensation Arrangements**

As part of the National Stock Exchange of Australia Limited's Australian Financial Markets Licence, NSX operates investor Compensation Arrangements in accordance with Part 7.5 Division 3 of the Corporations Act 2001. The minimum cover required by the Licence is \$800,000. The source for the cover is a Fidelity Fund and a Letter of Credit as allowed by the Act. The Fidelity Fund currently has over \$500,000 on deposit. To support the Letter of Credit the National Stock Exchange of Australia Limited has provided a cash deposit of \$700,000. There is currently excess funds to the cover required in the compensation arrangements.

As part of the SIM Venture Securities Exchange Limited's (SIM VSE) Australian Financial Markets Licence, SIM VSE operates investor Compensation Arrangements in accordance with Part 7.5 Division 3 of the Corporations Act 2001. The minimum cover required by the Licence is \$1,000,000. The sources for the cover is a Fidelity Fund and a Letter of Credit as allowed by the Act. The Fidelity Fund currently has over \$50,000 on deposit. To support the Letter of Credit NSX Limited has provided a cash deposit of \$1,000,000 on behalf of SIM VSE. There is currently excess funds to the cover required in the compensation arrangements.

Therefore \$1,700,000 is not available cash for use by the NSX Group as working capital. Interest earned from the cash deposits is available for working capital purposes.

**Item 5.3 - General Settlement Participant Requirements**

As part of the requirements for the National Stock Exchange of Australia (NSXA) to be registered as a General Settlement Participant for the purposes of ASX Settlement Pty Ltd Operating Rules (ASXOR 4.3.13) NSX has to lodge a Settlement Bond in the form of a Bank Guarantee with ASX Settlement. The amount of the settlement bond is \$500,000 and is used to compensate ASX Settlement if and only if NSX, as a Settlement Participant, breaches any rule that causes ASX Settlement to suffer or incur any losses or damages as a result of that breach.

Therefore \$500,000 is not available cash for use by the NSX Group as working capital. Interest earned from the cash deposits is available for working capital purposes.

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**Item 5.4 - Rental Bonds**

As at 31 March 2016 NSX Limited has in place a bank guarantee for the rental of premises in Newcastle totalling \$15,000.

**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: .....Michael Cox..... Date: 29 April 2016.....  
(Director)

Print name: .....Michael Cox.....

**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 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting 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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