NSX LIMITED

ABN: 33 089 447 058
HALF YEAR ENDED 31 DECEMBER 2013

APPENDIX 4D
RESULTS FOR ANNOUNCEMENT TO THE MARKET

(Comparative figures being the half year ended 31 December 2012)

				$A
Revenues *Explanation* The increase in revenue is attributable to an increase in Issuer fees and an increase in Issuer listings during the period.	Up	1.6%	to	551,327
Loss after tax attributable to members *Explanation* The increase in losses stems from higher operating expenses as explained in the attached Half Year report.	Up	9.5%	to	1,064,757
Loss attributable to members for the period	Up	9.5%	to	1,064,757

Dividends/distributions	Amount per security	Franked Amount per security
Final dividend (prior year - paid)	Nil	Nil
Interim Dividend (declared)	Nil	Nil
Record date for determining entitlements to dividends.	No dividends are proposed by the Directors' for the period ended 31 December 2013.	

NTA backing	Half-year ended 31 Dec 2013	Half-year ended 31 Dec 2012
Net tangible asset backing per ordinary share	1.4 cents	2.6 cents

Controlled entities acquired or disposed of:

During the half-year ended 31 December 2013 no entities were acquired or disposed of.

Deed of Funding Guarantee (the "Guarantee") with Financial and Energy Exchange Limited (FEX)

As announced on 31 July 2013, the Board has negotiated additional funding with its major shareholder, Financial and Energy Exchange Limited ("FEX") via a Funding Guarantee Deed ("Guarantee"). The Guarantee provided for the payment of operating costs of NSX each month as required.

As advised to the market on 17 December 2013, the Guarantee was amended where by FEX could only terminate the agreement with six months' notice on condition that there was no takeover offer in effect. If there is a takeover offer in effect then the notice period would revert back to one months' notice. All other terms and conditions remain unchanged. Repayment of the facility is at the discretion of the NSX and can be made in the way of cash or shares subject to ASX listing rules, the *Corporations Act 2001* and Shareholder approval.

As at 31 December 2013 NSX has drawn down $551,611 of the facility. Since 1 January 2014 FEX have contributed an additional $334,000 to the Group. The Group continues to be supported financially by FEX by way of the Deed of Funding Guarantee.

Details of shares and results in associates and joint venture entities:

There is currently an agreement between Financial and Energy Exchange Limited (FEX) and NSX Limited for the venture with SIM VSE Group Holdings Limited for the operation of an Australian Market Licencee; SIM Venture Securities Exchange Limited. As at the Balance Date, NSX owned 62.17% of the venture and FEX owned 37.83%. Post the Balance date and after the FNN investment NSX owns 61.83% and FEX owns 38.17%. As at Balance Date, the joint venture entity is consolidated in the accounts and is shown as non-controlling interest. The following table is provided as information on the financial performance of the venture as required by Appendix 4D:

	31-Dec 2013	30-Jun 2013
Non-controlling Interest		
Share Capital $	**2,393,941**	2,032,832
Current Year profit/(loss)	**(145,688)**	(267,035)

The Board approved the SIM VSE JV making a further investment in Financial News Network. FNN has closed further offers for investment in FNN therefore the total investment made by SIM VSE is $120,000.

After the FNN investment, $710,000 in funding remains available to be received by the Joint Venture.

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NSX LIMITED

ABN 33 089 447 058

and its controlled entities

Half-Year Financial Report

Including additional
Appendix 4D disclosures

31 DECEMBER 2013

RELEASED
19 February 2014

This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by NSX Limited (the "Company") during the half year reporting period in accordance with the continuous disclosure requirements of the Listing Rules of the Australian Securities Exchange ("ASX") and of the Corporations Act 2001.

NSX Limited

ABN: 33 089 447 058

For the Half Year Ended 31 December 2013

CONTENTS

NSX Limited

ABN: 33 089 447 058

Directors' Report
For the Half Year Ended 31 December 2013

Your directors submit the financial report of the Economic Entity for the half-year ended 31 December 2013.

General information

Directors

The names of the directors in office at any time during, or since the end of, the period are:

Ann Bowering	Appointed 25 May 2009.
Michael Cox	Appointed 23 November 2009.
Thomas Price	Appointed 17 November 2009.
Bruce McNab	Alternate to Ann Bowering, appointed 1 June 2011.

Directors have been in office since the beginning of the reporting period, to the date of this report, unless otherwise stated.

Company Secretary

Scott Evans, General Manager, held the position of Company Secretary from the beginning of the reporting period. Appointed 7 March 2006.

Review of Operations

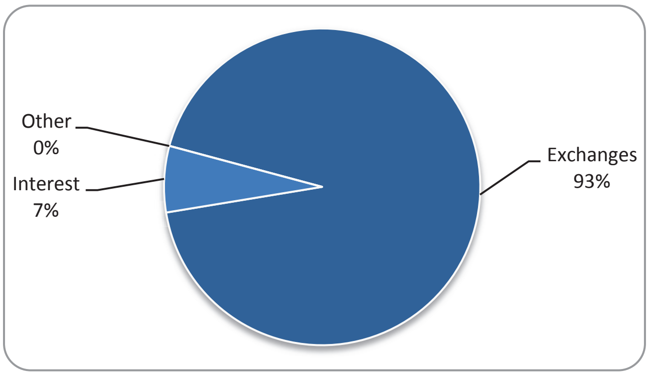
Summary results for the operations are as follows:

- Revenue – $551,300 (up 1.6%)
- Operating Expenses – $1,616,100 (up 6.6%)
- Loss after tax – 1,064,800 (up 9.5%)
- Normal earnings per share decreased from (0.98) to (1.04) cents.
- Net Tangible Assets per share decreased from 2.6 cents to 1.4 cents

REVENUE

The pie chart represents the relative weightings of each revenue category within the accounts. Receipts associated with the operation of the stock exchanges business accounts for 93% of all revenue earned.

Gross revenue has increased by 1.6% compared to the previous corresponding period (pcp) due to an increase in Issuer fees and an increase in Issuer listings during the period.

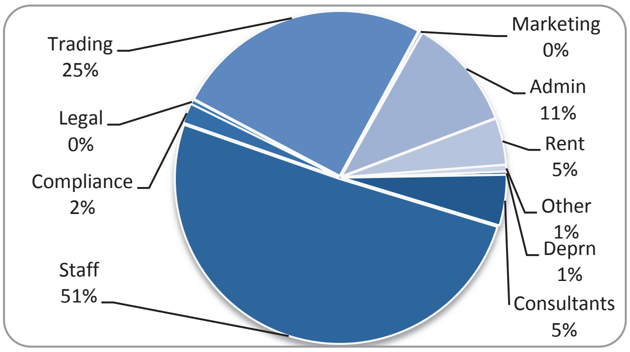


Exchange revenue is defined as all receipts derived from operating the stock exchange businesses which includes listing fees both annual and application, additional quotation of securities fees, nominated adviser fees, broker fees and fees charged in respect of cost recovery membership to the CHESS Transfer Facility. Exchange revenue increased by 6.3% compared to the previous corresponding period (pcp) due to the increase in fees charged to Issuers. Interest received declined by 36.7% pcp due to smaller cash balances held within the NSX Group. No other revenue was received during the period.

31 December Revenue Category	2013 $'000	2012 $'000	Change %
Exchange Revenue	514.0	483.5	6.3
Interest Received	37.3	58.9	-36.7
Other Revenue	-	0.2	-100.0
Total Revenue	551.3	542.6	1.6

EXPENSES

The pie chart reflects the percentage weightings of each expense within the accounts. Gross operating expenses increased by 6.6% pcp from $1.5million to $1.6million. The following is an explanation of major movements within each expense category that led to the above result.



Employee benefits expense increased by 16.6% pcp due to the winding up of the executive employee share plan, the bonus scheme and the final payment of all entitlements under those plans to executive staff.

Consultancy expenses includes contractor payments, fees from FEX for the services of the SIM VSE CEO and external advisers that have not been allocated elsewhere in the accounts. There was no change in the value of this service relative to the pcp.

Compliance expense includes any activities associated with the independent external committees for the Exchanges such as the Listing and Admission Committee and the Compliance Committee. It also includes any other compliance related expenses not classified elsewhere in the accounts. This expense increased by 32.7% pcp due to increased listing and compliance related activities on both Exchanges during the period. This expense category tends to increase or decrease depending on the amount of listing applications by issuers, applications for participant broker status, applications for nominated adviser status, compliance and surveillance activity as required.

Legal and professional expenses includes any payments for outside legal and professional representation. This expense decreased by 75.3% pcp due to no legal actions and less requirement for legal advice during the period. There are no known current or pending legal actions. This expense tends to increase or decrease depending on corporate activity such as capital raising documentation and other legal advice as required.

Market trading expenses encompasses any costs associated with the running of the trading and settlement activities of the exchanges, including trading systems enhancements, websites, fees to regulators, CHESS Settlement and key service provider costs that can be identified as contributing to the operation of the exchange markets. This expense decreased by 1.8% pcp reflecting stable operational requirements during the period.

Marketing and promotion includes any costs associated with external promotion of the exchanges such as sales activities at exhibitor conferences, sponsorships, marketing material production and seminars. Expenditure has decreased by 2.4% pcp reflecting modest cost savings in marketing.

Occupancy expense includes any expense related to the three offices maintained by NSX in Sydney, Melbourne and Newcastle during the year. This expense has increased by 9.3% pcp due scheduled rent reviews contained in leases and renewal agreements, increases in outgoings such as electricity, rates and tenancy expenses for the three offices.

Other expenses have increased by 21.1% pcp due to the recovery of a doubtful debt previously expensed in the 2012 period. Without this recovery, other expenses would not have changed significantly in percentage terms.

31 December Expense Category	2013 $'000	2012 $'000	Change %
Employee benefits expense	818.4	701.9	16.6
Depreciation, amortisation and impairments	4.6	9.1	-49.3
Consultancy expenses	80.1	80.1	0.0
Compliance expenses	31.6	23.8	32.7
Legal expenses	7.1	28.8	-75.3
Market trading expenses	407.1	414.8	-1.8
Marketing and promotion expenses	4.1	4.2	-2.4
Occupancy expenses	73.6	67.3	9.3
Administration	178.7	176.7	1.1
Other	10.6	8.8	21.1
Total Expenses	**1,615.9**	**1,515.4**	**6.6**

WORKING CAPITAL

The Group maintains a cash balance of $2,344,000 (2012: $2,871,000) at the end of the period. Of the cash held, $2,226,000 is held in trust as part of the Stock Exchange's market compensation arrangements, settlement participation arrangements and rental bonds. Therefore $2,226,000 is not available to the NSX Group as working capital. The following discussion details various arrangements that have an impact on NSX Limited's cash balances held.

	31-Dec 2013 $'000
Reconciliation of Cash	
Cash on hand and at bank	118
Deposits at call	2,226
Total: cash at end of period	2,344

Compensation Funds

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*. National Stock Exchange of Australia Limited has provided a cash deposit of $700,000 as part of its compensation arrangements for its Equity Market. This is over and above the money that is included in the Fidelity Fund operated by NSXA.

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*. NSX Limited has provided a cash deposit of $1,000,000 on behalf of SIM VSE as part of SIM VSE's compensation arrangements for the SIM VSE Equity Market.

In total $1,700,000 is not available cash for use by the NSX Group as working capital due to the effect of the compensation arrangements.

ASX Settlement Performance Bond

National Stock Exchange of Australia (NSXA) acts as a settlement agent on behalf of several NSXA and SIM VSE broker participants. Consequently NSXA is registered with ASX Settlement as a General Settlement Participant for the purposes of ASX Settlement Pty Ltd Operating Rules (ASXOR 4.3.13) to effect CHESS Settlements. ASX Settlement Operating Rule 4.9.1 requires General Participants to post a Settlement Performance Bond to the value of $500,000. ASX Settlement can make a demand under Operating Rule 4.9.5 if ASX Settlement is satisfied that a Participant has contravened a provision of the rules and as a result of that contravention, ASX settlement has suffered or incurred any losses, damages, costs or expenses.

NSX Limited has established a bank guarantee backed by a term deposit of $500,000 to satisfy the requirements of the Settlement Performance Bond.

This amount is not available cash for use by the NSX Group as working capital due to the effect of the settlement bond.

Rental Bonds and Other Bank Guarantees

NSX limited has in place a bank guarantee for the rental of premises in Newcastle and also a bank guarantee for credit card facilities totalling $26,242. This amount is not available cash for use by the NSX Group as working capital.

SIM Venture Securities Exchange Joint Venture Funding and Investments

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.

The Board approved the SIM VSE JV making a further investment in Financial News Network. The investment of $20,000 was financed by a further tranche payment by FEX as part of the JV arrangements. FNN has closed further offers for investment in FNN therefore the total investment made by SIM VSE is $120,000 as reflected in the Statement of Financial Position.

After the FNN investment, $710,000 in funding remains available to be received by the Joint Venture.

Deed of Funding Guarantee (the "Guarantee") with Financial and Energy Exchange Limited (FEX)

As announced on 31 July 2013, the Board negotiated additional funding with its major shareholder, Financial and Energy Exchange Limited ("FEX") via a Funding Guarantee Deed ("Guarantee"). The Guarantee provided for the payment of operating costs of NSX each month as required.

As advised to the market on 17 December 2013, the Guarantee was amended where by FEX could only terminate the agreement with six months' notice on condition that there was no takeover offer in effect. If there is a takeover offer in effect then the notice period would revert back to one months' notice. All other terms and conditions remain unchanged. Repayment of the facility is at the discretion of the NSX and can be made in the way of cash or shares subject to ASX listing rules, the *Corporations Act 2001* and Shareholder approval.

As at 31 December 2013 NSX has drawn down $551,611 of the facility. Since 1 January 2014 FEX have contributed an additional $334,000 to the Group. The Group continues to be supported financially by FEX by way of the Deed of Funding Guarantee.

Net Working Capital

The following table details the impact of the bank guarantee arrangements on NSX Limited's current cash balances available for use.

	31-Dec 2013 $'000
Net working capital	
Total cash at end of the period	2,344
Deposits held for equity markets compensation arrangements	(1,700)
Deposits held while National Stock Exchange of Australia is a general participant of CHESS	(500)
Other bank guarantees	(26)
Total: cash available for use by the group at the end of the period	118

CONSOLIDATED SUMMARY

The operating loss for the Group was $1,064,757 (2012: $972,789) for the period (9.5% increase on the previous corresponding period). Factors leading to this result are explained in the revenue and expense analysis section above. The Group maintains a cash balance of $2.3million at the end of the period. Of the cash held, $2.2million is held in trust as part of the Stock Exchange's market compensation arrangements and other regulatory deposits and bonds leaving $117,900 as working capital for the NSX Group. The remaining funding due from Financial and Energy Exchange for the SIMVSE joint venture is $710,000.

Earnings per share (EPS) decreased from (0.98) cents per share to (1.04) cents per share or a decrease of 5.8% pcp reflective of the above loss. No new shares were issued in NSX Limited during the period.

	31-Dec-13 $'000	31-Dec-12 $'000	Change %
Revenue	551.3	542.6	1.6
Expenses excluding impairments	1,616.1	1,515.4	6.6
Operating loss	(1,064.8)	(972.8)	9.5
Expenses including impairments	1,616.1	1,515.4	6.6
Net loss after tax	**(1,064.8)**	**(972.8)**	**9.5**
Earnings per share (cents)	(1.039)	(0.982)	5.8
Net tangible asset backing (cents)	1.4	2.6	(46.1)
Share price at end of period (cents)	14.0	12.0	16.7
Shares on Issue at end of period (mil)	102.4	99.1	3.4
Market capitalisation ($'mil)	14.3	11.9	20.7
Cash at bank ($'000)	2,343.9	2,871.0	(18.4)
Cash held for statutory purposes ($'000)	2,226.0	2,226.0	-
Working Capital ('000)	**117.9**	**645.0**	**(81.7)**

Dividends paid or declared

The Directors do not recommend payment of any dividends at this time and no dividend was paid during the period.

Events occurring after balance date

On 23 January 2014 the Directors approved a further investment in Financial News Network of $20,000 financed by an instalment contribution from FEX. Shares were issued in SIM VSE Group Holdings Ltd to FEX to the value of $20,000 and shares were received from Financial News Network to the value of $20,000.

Since 1 January 2014 FEX have contributed an additional $334,000 to the Group. The Group continues to be supported financially by FEX by way of the Deed of Funding Guarantee.

Other than the above, there are no other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Economic Entity, the results of those operations or the state of affairs of the Economic Entity in future financial years.

Auditors Independence Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 12 for the period ended 31 December 2013.

Signed in accordance with a resolution of the Board of Directors:

Director: ....

Michael Cox

Director: ....

Ann Bowering

Dated this 19 day of February 2014

lawler partners chartered accountants

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF NSX LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2013, there have been:

a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and

b) no contraventions of any applicable code of professional conduct in relation to the review

Lawler Partners

LAWLER PARTNERS
Chartered Accountants

CLAYTON HICKEY
Partner

Newcastle

Dated: 24 February 2014

NSX Limited

ABN: 33 089 447 058

Statement of Profit or Loss and Other Comprehensive Income
For the Half Year Ended 31 December 2013

	Note	Consolidated 31-Dec 2013 $	31-Dec 2012 $
Revenue	2	**551,327**	542,607
Employee benefits expense		**(818,413)**	(701,866)
Depreciation, amortisation and impairments	2	**(4,649)**	(9,096)
Consultancy fees		**(80,115)**	(80,115)
Compliance expenses		**(31,626)**	(23,822)
Legal expenses		**(7,136)**	(28,799)
Market trading expenses		**(407,075)**	(414,759)
Marketing and promotion		**(4,114)**	(4,230)
Occupancy expenses		**(73,641)**	(67,314)
Administration expenses		**(178,735)**	(176,669)
Other expenses		**(10,580)**	(8,753)
Loss before income tax		**(1,064,757)**	(972,789)
Income tax expense		**-**	-
Loss for the period		**(1,064,757)**	(972,789)
Loss attributable to non controlling equity interest		**(145,688)**	(112,143)
Loss attributable to members of the parent entity		**(919,069)**	(860,646)
		(1,064,757)	(972,789)
Other comprehensive income		**-**	-
Total comphrehensive income for the period		**(1,064,757)**	(972,789)
Earnings per share			
Basic earnings per share			
(cents per share)		**(1.04)**	(0.98)
Diluted earning sper share			
(cents per share)		**(1.04)**	(0.98)

The accompanying notes form part of these financial statements.

NSX Limited

ABN: 33 089 447 058

Statement of Financial Position
As At 31 December 2013

		Consolidated	
		31-Dec	30-Jun
		2013	2013
	Note	$	$
ASSETS			
Current assets			
Cash and cash equivalents	3	**143,966**	230,978
Trade and other receivables		**129,269**	138,007
Financial assets	3	**2,200,000**	2,200,000
Other current assets		**478,766**	267,835
Total current assets		**2,952,001**	2,836,820
Non‑current assets			
Investment		**120,000**	250,000
Property, plant and equipment		**16,065**	15,980
Total non‑current assets		**136,065**	265,980
TOTAL ASSETS		**3,088,066**	3,102,800
LIABILITIES			
Current liabilities			
Trade and other payables		**1,307,133**	550,993
Short-term provisions		**204,294**	146,709
Total current liabilities		**1,511,427**	697,702
Non-current liabilities			
Financial liabilities			
Other long-term provisions		**23,941**	47,643
Total non-current liabilities		**23,941**	47,643
TOTAL LIABILITIES		**1,535,368**	745,345
NET ASSETS		**1,552,698**	2,357,455
EQUITY			
Issued capital		**36,018,761**	36,018,761
Retained earnings		**(36,032,639)**	(35,113,570)
Parent Interest			
Non Controlling interest		**1,566,576**	1,452,264
TOTAL EQUITY		**1,552,698**	2,357,455

The accompanying notes form part of these financial statements.

NSX Limited

ABN: 33 089 447 058

Statement of Changes in Equity
For the Half Year Ended 31 December 2013

	Consolidated			
	Issued Capital $	Non-Controlling Interests $	Retained Earnings $	Total $
Balance at 1 July 2013	**36,018,761**	**1,452,264**	**(35,113,570)**	**2,357,455**
Loss for the year	**-**	**-**	**(919,069)**	**(919,069)**
Other comprehensive income for the period	**-**	**-**	**-**	**-**
Loss attributable to non-controlling interest	**-**	**(145,688)**	**-**	**(145,688)**
Shares issued by subsidiary during the year	**-**	**260,000**	**-**	**260,000**
Establishment of non-controlling interest	**-**	**-**	**-**	**-**
Non-cash share based payments	**-**	**-**	**-**	**-**
Transaction costs on share issue	**-**	**-**	**-**	**-**
Balance at 31 December 2013	**36,018,761**	**1,566,576**	**(36,032,639)**	**1,552,698**
Balance at 1 July 2012	35,341,833	1,619,299	(33,418,610)	3,542,522
Loss for the year	-	-	(860,646)	(860,646)
Other comphrehensive income for the period	-	-	-	-
Loss attributable to non-controlling interest	-	(112,143)	-	(112,143)
Share issued by subsidiary during the year	-	-	-	-
Establishment of non-controlling interest	-	-	-	-
Non-cash share based payments	-	-	-	-
Transaction costs on share issue	-	-	-	-
Balance at 31 December 2012	35,341,833	1,507,156	(34,279,256)	2,569,733

The accompanying notes form part of these financial statements.

NSX Limited

ABN: 33 089 447 058

Statement of Cash Flows
For the Half Year Ended 31 December 2013

	Consolidated	
	31-Dec	31-Dec
	2013	2012
	$	$
Cash from operating activities:		
Receipts from customers	**948,943**	886,496
Payments to suppliers and employees	**(1,878,511)**	(1,470,335)
Interest received	**37,290**	58,933
Finance Costs	**-**	-
Net cash provided by (used in) operating activities	**(892,278)**	(524,906)
Cash flows from investing activities:		
Payment of subsidiary, net of cash acquired	**-**	-
Acquisition of property, plant and equipment	**(4,734)**	(2,025)
Acquisition of intangibles	**-**	-
Net loans from/(to) related parties	**-**	-
Net cash provided by (used in) investing activities	**(4,734)**	(2,025)
Cash flows from financing activities:		
Proceeds from issue of shares by subsidiary	**260,000**	-
Costs of issue of shares	**-**	-
Proceeds from borrowings	**550,000**	-
Repayment of borrowings	**-**	-
Net cash provided by (used in) financing activities	**810,000**	-
Net increase (decreases) in cash held	**(87,012)**	(526,931)
Cash at beginning of financial year	**2,430,978**	3,397,999
Cash at end of financial year	**2,343,966**	2,871,068

The accompanying notes form part of these financial statements.

Note 1 Statement of Significant Accounting Policies

(a) Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2013 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of NSX Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2013, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the period ended 30 June 2013. However, the following amendments to accounting standards as a result of the annual Improvements to AASB come into effect during the period. The listed amendments did not have any impact on the accounting policies, financial position or performance of the Group:

Standard Name	Requirements and Impact
AASB 10 Consolidated Financial Statements / AASB 11 Joint Arrangements / AASB 12 Disclosures of Interests in Other Entities, AASB 127 Separate Financial Statements, AASB 128 Investments in Associates and AASB 2012-10 Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments	AASB 10 includes a new definition of control, which is used to determine which entities are consolidated, and describes consolidation procedures. The Standard provides additional guidance to assist in the determination of control where this is difficult to assess. AASB 11 focuses on the rights and obligations of a joint venture arrangement, rather than its legal form (as is currently the case). IFRS 11 requires equity accounting for joint ventures, eliminating proportionate consolidation as an accounting choice. AASB 12 includes disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The adoption of this standard has not changed the reported financial position and performance of the entity.
AASB 13 Fair Value Measurement. AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted. The adoption of this standard has not changed the reported financial position and performance of the entity. However, a number of additional disclosure requirements will be required within the entity's annual financial statements.
AASB 2011-4 - Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	Remove individual key management personnel disclosure requirements (i.e. components of remuneration) for disclosing entities. The adoption of this standard has not changed the reported financial position and performance of the entity. However, a number of additional disclosure requirements will be required within the entity's annual financial statements.
AASB 2011-7 - Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	This standard provides many consequential changes due to the release of the new consolidation and joint venture standards. The adoption of this standard has not changed the reported financial position and performance of the entity.

Standard Name	Requirements and Impact
AASB 119 Employee Benefits (September 2011) AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	The main changes in this standard relate to the accounting for defined benefit plans and are as follows: - elimination of the option to defer the recognition of gains and losses (the 'corridor method'); - requiring re-measurements to be presented in other comprehensive income; and - enhancing the disclosure requirements. The adoption of this standard has not changed the reported financial position and performance of the entity.
AASB 2012-2 - Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities [AASB 132 & AASB 7]	Requires the inclusion of information about the effect or potential effect of netting arrangements. The adoption of this standard has not changed the reported financial position and performance of the entity.
AASB 2012-5 - Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2]	AASB 1 - this standard clarifies that an entity can apply AASB 1 more than once. AASB 101 - clarifies that a third statement of financial position is required when the opening statement of financial position is materially affected by any adjustments. AASB 116 - clarifies the classification of servicing equipment. AASB 132 and Interpretation 2 - Clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with AASB 112 Income Taxes AASB 134 - provides clarification about segment reporting. The adoption of this standard has not changed the reported financial position and performance of the entity.
AASB 101 Presentation of Items of Other Comprehensive Income – Amendments to AASB 101	The amendments to AASB 101 introduce a grouping of items presented in OCI. Items that will be reclassified ('recycled') to profit or loss at a future point in time (e.g., net loss or gain on AFS financial assets) have to be presented separately from items that will not be reclassified (e.g., revaluation of land and buildings). The amendments affect presentation only and have no impact on the entity's financial position or performance.

Standard Name	Requirements and Impact
AASB 101 Clarification of the requirement for comparative information (Amendment)	These amendments clarify the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The amendments clarify that the opening statement of financial position, presented as a result of retrospective restatement or reclassification of items in financial statements does not have to be accompanied by comparative information in the related notes. The amendments affect presentation only and have no impact on the entity's financial position or performance.

Note 2 Profit from Ordinary Activities

	Consolidated	
	31-Dec	31-Dec
	2013	2012
	$	$
The following significant revenue and expense items are relevant to explaining the financial performance:		
Revenue		
Listing and application fees	**483,007**	453,210
Exchange hosting service fees	**31,001**	30,250
	514,008	483,460
Other Income		
Other revenue	**29**	214
Interest - other persons	**37,290**	58,933
Total other income	**37,319**	59,147
Total Revenue	**551,327**	542,607
Expenses		
Depreciation, amortisation and impairments	**4,649**	9,069
	4,649	9,069

Note 3 Cash Flow Information

(a) Reconciliation of cash

	Consolidated	
	31-Dec	30-Jun
	2013	2013
	$	$
Cash at the end of the financial period as shown in the cash flow statement is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	**143,966**	230,978
Held to maturity (amortised cost)	**2,200,000**	2,200,000
	2,343,966	2,430,978

Note 4 Reliance on Australian Securities Exchange Limited and NASDAQ OMX

The ability of the National Stock Exchange of Australia Limited and SIM Venture Securities Exchange Limited to conduct their operations is reliant upon the capability and reliability of the ASX Settlement CHESS settlement systems which are used by the Economic Entity.

The ability of the National Stock Exchange of Australia Limited and SIM Venture Securities Exchange Limited to conduct operations is heavily reliant upon the capability and reliability of the trading systems which are licensed to the Economic Entity by the NASDAQ OMX.

A significant and sustained failure of those systems would have a materially detrimental effect on the economic entity's short term results, which in turn could undermine the longer term confidence in the Economic Entity.

Note 5 Operating Segments

Segment Information

Identification of Reportable Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group operates in one operating segments, being:

- Stock Exchanges

There is no aggregation of operating segments into reportable segments, given that each segment represents a distinct business.

Type of Products and Services by Segment

Stock Exchanges

The stock exchange cash generating units provide a facility to trade the securities of issuers admitted to the official list. It also provides hosting services for other exchanges.

Note 5 Operating Segments (Cont'd)

Accounting Policies and Inter-segment Transactions

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief operating decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. Interest is not charged on such loans.

Inter-segment sales and purchases are made on the basis of the Group's internal transfer pricing policies. No allocation of corporate charges is made to the operating segments, as these are predominately incurred by the Head Office and are not allocated in the internal management reports.

Segment Assets and Liabilities

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables.

Geographical Segments

The Group conducts all of its business from Australia, therefore no reporting of results by geographical segment is performed.

Note 5 Operating Segments (Cont'd)

Major Customers

The Group has a number of customers to which it provides both products and services. The Group has no major customers who contribute more than 10% of total revenue.

(a) Segment Performance

	Stock Exchanges	Unallocated Items	Total
6 Months Ended 31 Dec 2013	**$'000**	**$'000**	**$'000**
Revenue			
External sales - services	514.0	-	**514.0**
Interest revenue	9.6	27.7	**37.3**
Other	-	-	**-**
Total segment revenue	523.6	27.7	**551.3**
Total group revenue			**551.3**
Results			
Segment net profit before tax	(827.0)	(237.7)	**(1,064.7)**
Other Items			
Depreciation and amortisation	4.6	-	**4.6**
6 Months Ended 31 Dec 2012			
Revenue			
External sales - services	483.5	-	**483.5**
Interest revenue	25.5	33.4	**58.9**
Other	-	0.2	**0.2**
Total segment revenue	509.0	33.6	**542.6**
Total group revenue			**542.6**
Results			
Segment net profit before tax	(702.2)	(270.5)	**(972.7)**
Other Items			
Depreciation and amortisation	9.0	-	**9.0**

Note 5 Operating Segments (Cont'd)

(b) Segment Assets

	Stock Exchanges	Unallocated Items	Total
As at 31 December 2013	**$'000**	**$'000**	**$'000**
Segment Assets	**1,205.1**	**1,882.9**	**3,088.0**
Segment asset increases for			
- Acquisitions	**4.7**	**-**	**4.7**
As at 31 December 2012			
Segment Assets	1,463.5	1,874.3	3,337.8
Segment asset increases for the period:			
- Acquisitions	-	-	-

(c) Segment Liabilities

	Stock Exchanges	Unallocated Items	Total
As at 31 December 2013	**$'000**	**$'000**	**$'000**
Segment Liabilities	**1,018.2**	**517.1**	**1,535.3**
As at 31 December 2012			
Segment Liabilities	510.3	257.8	**768.1**

Note 6 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Transactions with related parties:

(a) Director Related Entities

	Consolidated	
	31-Dec 2013 $	31-Dec 2012 $
Mr Michael Cox as a director of Solidus Financial Services	**-**	-
Ms Ann Bowering	**-**	-
Mr Tom Price as Director of Financial and Energy Exchange Limited - Payments made to FEX by the NSX Group as part of the SIM VSE Joint Venture.	**80,115**	80,115
Mr Bruce McNab - as expense reimburse as an alternate director for A Bowering	**-**	-

(b) Associated Companies

No payments were made to associated companies other than those disclosed above.

Note 7 Contingent Liabilities

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 NSX is required to have in place minimum cover of $800,000 to compensate investors. Of this amount a minimum of $100,000 is sourced from the NSX Fidelity Fund and the remaining $700,000 is in the form of a cash deposit provided by NSX Limited and Westpac Bank has issued a letter of credit in support of these 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*. SIM VSE is required to have in place minimum cover of $1,000,000 to compensate investors. Of this amount $1,000,000 is in the form of a cash deposit provided by NSX Limited and National Australia Bank has issued a letter of credit in support of these arrangements.

Note 7 Contingent Liabilities (Cont'd)

ASX Settlement Performance Bond

National Stock Exchange of Australia (NSXA) acts as a settlement agent on behalf of several NSXA and SIM VSE broker participants. Consequently NSXA is registered with ASX Settlement as a General Participant for the purpose of ASX Settlement Operating Rules to effect CHESS settlements. ASX Settlement Operating Rule 4.9.1 requires General Participants to post a Settlement Performance Bond to the value of $500,000. ASX Settlement can make a demand under Operating Rule 4.9.5 if ASX Settlement is satisfied that a Participant has contravened a provision of the rules and as a result of that contravention, ASX settlement has suffered or incurred any losses, damages, costs or expenses.

NSX Limited has established a bank guarantee backed by a term deposit of $500,000 to satisfy the requirements of the Settlement Performance Bond.

Note 8 Events After the Balance Date

On 23 January 2014 the Directors approved a further Investment in Financial News network of $20,000 financed by an instalment contribution from FEX. Shares were issued in SIM VSE Group Holdings Ltd to FEX to the value of $20,000 and shares were received from Financial News Network to the value of $20,000.

Since 1 January 2014 FEX have contributed an additional $334,000 to the Group. The Group continues to be supported financially by FEX by way of the Deed of Funding Guarantee.

Other than the above, there are no other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Economic Entity, the results of those operations or the state of affairs of the Economic Entity in future financial years.

Note 9 Going Concern

These financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the payment of liabilities in the ordinary course of business. Should the company be unable to continue as a going concern, it may be unable to realise the carrying value of its assets and to meet its liabilities as they become due.

The company has incurred losses of $1,064,757 for the half year ended 31 December 2013. In addition to this the company's current cash burn rate indicates that the company may not have sufficient working capital to meet its operational obligations for the coming 12 months.

The Directors have noted that the ongoing ability of the Company to remain a going concern is dependent upon an increase in the level of working capital within the Company. The Directors have implemented or are investigating the following strategies in an attempt to increase the level of working capital:

- Executed a Funding Guarantee Deed with Financial and Energy Exchange on 29 July 2013, to provide working capital as required with a six month termination notice of the agreement. The Company is currently reliant on this source of funding;
- Continuing to leverage the remaining contribution due from FEX for the SIM VSE Joint venture;
- Other share placement's to private investors; and/or
- Instigation of any market wind-down strategies, which would see the cash deposits held in trust for the compensation funds of the markets and settlement deposits being realised and all liabilities extinguished.

Given the above, the accounts have been prepared on a going concern basis which contemplates the realisation of assets and the payment of liabilities in the ordinary course of business. The Directors have adopted this basis of preparation having regard for their assessment, which is based on information available as at the date of this report. Should the above strategies be unsuccessful, there is significant uncertainty whether the Company will be able to continue as a going concern.

NSX Limited

ABN: 33 089 447 058

Directors' Declaration

The directors of the Economic Entity declare that:

1. The financial statements and notes, as set out on pages 13 to 28:

    (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Act 2001*; and

    (b) give a true and fair view of the Economic Entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date.

2. In the directors opinion, there are reasonable grounds to believe that the Economic Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: ....

Michael Cox

Director: ....

Ann Bowering

Dated this 19 day of February 2014

lawler partners chartered accountants

INDEPENDENT REVIEW REPORT

TO THE MEMBERS OF NSX LIMITED

Report on the Half Year Financial Report

We have reviewed the accompanying half-year financial report of NSX Limited (the consolidated entity) which comprises the statement of financial position as at 31 December 2013, and the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Auditing Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of NSX Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Lawler Partners Audit & Assurance
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INDEPENDENT REVIEW REPORT

TO THE MEMBERS OF NSX LIMITED

Report on the Half Year Financial Report (Continued)

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of NSX Limited does not present fairly, in all material respects, the financial position of the consolidated entity as at 31 December 2013, and of its financial performance and its cash flows for the half-year ended on that date, in accordance with the *Corporations Act 2001*, Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without modifying our conclusion, we draw attention to Note 9 in the financial report, which indicates that the company incurred a net loss of $1,064,757 during the half year ended 31 December 2013. This condition, along with other matters set forth in Note 9, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Lawler Partners

LAWLER PARTNERS
Chartered Accountants

CLAYTON HICKEY
Partner

Newcastle

Dated: 24 February 2014