

# ASX Announcement & Media Release

## Appendix 4C June 2015 Quarter Overview

### MDS Financial Group Limited

ACN 091 744 884

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ASX Code: MWS

**MDS Financial Group Limited (ASX: MWS) ("MDS" or "the Company")** has today released its Appendix 4C consolidated statement of cash flows for the quarter ending 30 June 2015.

The Company is pleased to report it achieved a positive cash flow result of \$992,000 with the Group's net cash position at the end of the quarter being \$612,000. Recorded receipts from Customers were \$18,717,000, with this figure offset by cash out flows in other Working Capital of \$17,297,000.

A significant expense for the period was staff costs of \$1,355,000 for, with this figure being affected by a final round of redundancies carried out in the quarter and integration of the Sequoia Financial Group into MDS.

As outlined in our shareholder update of 6 July 2015, during the quarter MDS continued to see positive momentum in its core business divisions, most notably:

- Sequoia Specialist Investments produced a very strong result for the quarter. New sales and maturing investments provided a significant effect on the receipts and expenses which positively affected this quarterly result.
- Over 200 new SMSFs were secured by Sequoia Superannuation in Financial year 2015.
- D2MX (MDS's ASX Market Participant) achieved 33% growth in the number of new wholesale clients who are holders of an Australian Financial Services License issued by ASIC (referred to in the industry as 'shadow brokers') in the quarter.
- Solid growth in retail trading accounts in D2MX since January 2015, with over 500 new accounts in the month of June 2015 alone.

MDS continues to explore opportunities to develop and grow its core revenue divisions, with the Company now well placed as it enters financial year 2016 to build on the platform it has created as a broad based financial services provider with a diverse range of offerings.

MDS also looks forward to updating shareholders on its preliminary full year results in late August.

– Ends –

For further information please contact:

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### ABOUT MDS FINANCIAL GROUP

ASX-listed MDS Financial Group Limited (ASX: MWS) is an integrated financial services company providing products and services to self-directed retail and wholesale clients and those of third party professional service firms. It provides:

31 July 2015

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- Investment and superannuation products
- Wealth management and advisory services
- Corporate advisory and capital markets expertise
- Retail, wholesale and institutional trading platforms
- Market data and financial news services

MDS operates various AFS Licenses and its subsidiary D2MX is an ASX Market Participant

# Appendix 4C

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

Introduced 31/3/00. Amended 30/9/01, 24/10/05, 17/12/10.

Name of entity

MDS Financial Group Limited

ABN

90 091 744 884

Quarter ended ("current quarter")

30 June 2015

### Consolidated statement of cash flows

		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from customers	18,717	23,310
1.2	Payments for (a) staff costs	(1,355)	(2,872)
	(b) advertising and marketing	(162)	(246)
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(17,297)	(22,081)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	0	13
1.5	Interest and other costs of finance paid	(36)	(120)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	1,125	775
<b>Net operating cash flows</b>		992	(1,221)

+ 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 (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	992	(2,214)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	(50)	(150)
(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 (provide details if material)		
<b>Net investing cash flows</b>	(50)	(150)
<b>1.14 Total operating and investing cash flows</b>	942	(1,371)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	(1,504)	0
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	747	2,060
1.18 Repayment of borrowings	(492)	(692)
1.19 Dividends paid	-	-
1.20 Other	-	-
<b>Net financing cash flows</b>	(1,249)	1,368
<b>Net increase (decrease) in cash held</b>	(307)	(3)
1.21 Cash at beginning of quarter/year to date	919	615
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	<b>612</b>	<b>612</b>

+ See chapter 19 for defined terms.

**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	208
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	Directors fees paid in the quarter which also includes contracted "Executive" fees	

**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	0
3.2	Credit standby arrangements	-
3.3	Explanation necessary for an understanding of the transactions	
	N/A	

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
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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	612	919
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.23)		612	919

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	N/A
5.2	Place of incorporation or registration	N/A
5.3	Consideration for acquisition or disposal	N/A
5.4	Total net assets	N/A
5.5	Nature of business	N/A

**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: .....  
 (Director/Company Secretary)

31/07/2015  
 Date: .....

Print name: Andrew Phillips  
 .....

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+ See chapter 19 for defined terms.

**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.
4. These statements exclude bonds and bank guarantees held as at 30 June 2015 of \$1,074,000. The total bond now held by the Company's third party clearer is \$1,000,000.

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