



30 April 2019

VPCL Quarterly Activities Report

Quarter Ended 31 March 2019

Highlights

- First quarterly payment of \$233K from Damstra for the purchase of LMS received in January 2019. Second quarterly payment due 30th April 2019 with quarterly payments expected to continue through to September 2021
- Research & Development tax refund of \$161k was received in February 2019
- Recovery of Accounts Receivable relating to divested businesses is ongoing. \$27K has been recovered since December 2018.
- Closing cash on 29 April 2019 of \$2.3M.

VPCL Limited (ASX: VPC) ("VPCL" or "the Company") is pleased to provide an update of the Company's activities for the quarter ended 31 March 2019.

The Company's main activity during the March quarter was to scale down operations post the sale of the LMS and Dash Digital businesses in order to preserve cash. All internal staff positions have ceased and short-term operating expenses are expected to be limited to compliance and administrative costs and Board remuneration. Over the June 2019 quarter VPCL will continue with efforts to recover outstanding Accounts Receivable and undertake treasury management activities.

The Board continues to actively seek out opportunities for potential high-growth future investments.

A handwritten signature in black ink, appearing to read 'L. Graham'.

Leanne Graham

Director

VPCL Limited

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

VPCL LIMITED

ABN

65 149 197 651

Quarter ended ("current quarter")

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	171	573
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(6)	(242)
(c) advertising and marketing	(1)	(122)
(d) leased assets	-	-
(e) staff costs	(110)	(1,240)
(f) administration and corporate costs	(176)	(583)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	16	16
1.9 Net cash from / (used in) operating activities	(105)	(1,594)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	(500)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	1,202
	(d) intellectual property	233	1,283
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	233	1,985

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,211	1,948
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(105)	(1,594)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	233	1,985
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	2,339	2,339

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,339	2,211
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,339	2,211

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

34

-

Fees and salaries paid to Directors

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

N/A

8. Financing facilities available

Add notes as necessary for an understanding of the position

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

N/A

**Total facility amount
at quarter end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

-

-

-

-

-

-

9. Estimated cash outflows for next quarter

\$A'000

9.1 Research and development

9.2 Product manufacturing and operating costs

9.3 Advertising and marketing

9.4 Leased assets

9.5 Staff costs

9.6 Administration and corporate costs

256

9.7 Other (provide details if material)

9.8 Total estimated cash outflows

256

**10. Acquisitions and disposals of
business entities
(items 2.1(b) and 2.2(b) above)**

Acquisitions

Disposals

10.1 Name of entity

N/A

N/A

10.2 Place of incorporation or
registration

N/A

N/A

10.3 Consideration for acquisition or
disposal

N/A

N/A

10.4 Total net assets

N/A

N/A

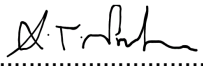
10.5 Nature of business

N/A

N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 30 April 2019
(Director/Company secretary)

Print name: Leanne Graham

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.