

# MARKET RELEASE

## Quarterly Activities Report and Appendix 4C Cashflow Statement

25 July 2014

**Sydney, NSW – NSX Limited (ASX: NSX)** NSX submits the following activities and appendix 4C cashflow statement for the period ended 30 June 2014.

### Highlights

- Net Cash inflow (including financing activities) for the quarter ended 30 June 2014 was \$10,000 (previous quarter outflow was \$23,000);
- During the period NSX drew down \$570,000 as part of the Funding Guarantee (previous quarter \$485,000).

### NSX Limited Corporate Activities

- The net cash inflow for the quarter was \$10,000 (previous quarter: outflow \$23,000);
- NSX has in place a funding guarantee with Financial and Energy Exchange Ltd (FEX). As advised to the market on 10 December 2013, NSX has begun to draw down on this facility. As at 30 June the current level of draw down is \$1,605,000.

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

During the quarter:

- There are three listing applications pending at the end of quarter. The listing pipeline continues to grow and strengthen;
- No participants were admitted;
- There are two Nominated Adviser applications pending. Eakin McCaffery Cox lawyers, Mathews Folbigg Lawyers and Highgate Corporate Advisors were admitted.

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

During the quarter:

- As at the date of this report \$730,000 in funding remains available to be received by the Joint Venture for operating costs (more detail may be found in the attached Quarterly Cash Flow Appendix 4C disclosure);

For further information please contact

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# 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")

30 June 2014

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from customers	79	1,177
1.2	Payments for		
	(a) staff costs	(276)	(1,363)
	(b) advertising and marketing	(6)	(23)
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(359)	(1,814)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	14	68
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	(12)	-
	<b>Net operating cash flows</b>	<b>(560)</b>	<b>(1,955)</b>

**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)	(560)	(1,955)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:	-	-
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	(10)
(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>	-	(10)
<b>1.14 Total operating and investing cash flows</b>	(560)	(1,965,)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	260
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	570	1,605
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
<b>Net financing cash flows</b>	570	1,865
<b>Net increase (decrease) in cash held</b>	10	(100)
1.21 Cash at beginning of quarter/year to date	2,321	2,431
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	2,331	2,331

**Item 1.15 - SIM Venture Securities Exchange Joint Venture Funding**

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.

To date \$730,000 in funding remains available to be received by the Joint Venture.

+ 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	\$40.3
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.

## **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	1,605
3.2 Credit standby arrangements	-	-

### **Item 3.1 - Funding deed 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.

**Item 3.1 - Funding deed with Financial and Energy Exchange Limited (FEX) – Cont'd.**

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 and Shareholder approval.

As at the date of this report NSX has drawn down \$1,605,000 of the facility (items 1.17 and 3.1).

**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	105	95
4.2 Deposits at call	2,226	2,226
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>	<b>2,331</b>	<b>2,321</b>

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

**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.

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.

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

**Settlement Bond**

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 with ASX Settlement. The amount of the bond is \$500,000 and is used to compensate ASX Settlement if a Settlement Participant breaches any rule that causes ASX Settlement to suffer or incur any losses or damages as a result of that breach. The bond was established in May 2012.

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+ See chapter 19 for defined terms.

### Rental Bonds

NSX limited has in place a bank guarantee for the rental of premises in Newcastle and also a bank guarantee for credit card facilities totaling \$25,329.

### Deed of Funding Guarantee

On 31 July 2013, NSX and Financial and Energy Exchange Limited (FEX) entered into a Deed of Funding Guarantee whereby FEX would fund NSX's operating costs as and when required by NSX.

### Impact of bank guarantee arrangements

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

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Total cash at end of quarter (item 1.23)	2,331	2,321
5.2 Deposits held for Equity Markets Compensation Arrangements.	(1,700)	(1,700)
5.3 Deposits held while National Stock Exchange of Australia is registered as a General Settlement Participant of ASX Settlement Pty Ltd (activated May 2012)	(500)	(500)
5.4 Other Bank Guarantees (as detailed above)	(26)	(26)
<b>Total: cash available for use by the Group (item 4.1)</b>	<b>105</b>	<b>95</b>

### 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: 25 July 2014.....  
(Director)

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

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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.

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