

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

Norwood Systems Limited

ABN

15 062 959 540

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	258	474
1.2 Payments for		
(a) staff costs	(529)	(1,277)
(b) advertising and marketing	(1,818)	(4,301)
(c) research and development	(534)	(1,519)
(d) cost of goods sold	(367)	(748)
(e) other administration	(504)	(1,073)
(f) other working capital	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	12	48
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Other - government grant proceeds	35	293
1.8 Other	-	(31)
Net operating cash flows	(3,447)	(8,135)

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	Current quarter \$A'000	Year to date (9 Months) \$A'000
1.8 Net operating cash flows (carried forward)	(3,447)	(8,135)
Cash flows related to investing activities		
1.9 Payment for acquisition of:	-	-
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	(51)	(51)
(d) physical non-current assets	(13)	(62)
(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 (exploration projects)	-	-
1.11 Loans to other entities	-	(36)
1.12 Loans repaid by other entities	-	-
1.13 Other	-	-
Net investing cash flows	(64)	(149)
1.14 Total operating and investing cash flows	(3,511)	(8,284)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	7,100
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 – capital raising costs	-	(370)
Net financing cash flows	-	6,730
Net increase (decrease) in cash held	(3,511)	(1,554)
1.21 Cash at beginning of quarter/year to date	6,503	4,546
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	2,992	2,992

+ 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
1.2	Aggregate amount of payments to the parties included in item 1.2	91
1.2	Aggregate amount of loans to the parties included in item 1.11	-
1.2	Explanation necessary for an understanding of the transactions	

Includes payments to directors as follows:

- Non-executive Director fees; and
- Payments to Paul Ostergaard in his capacity as Managing Director.

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.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

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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	2,932	6,443
4.2 Deposits at call	60	60
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	2,992	6,503

Acquisitions and disposals of business entities

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

Performance Shares

The Company had 78,869,761 Class A Performance Shares and 78,869,761 Class B Performance Shares on issue as at 31 March 2016.

The Class A performance shares each convert to one ordinary fully paid share upon the Company generating gross revenue of at least \$200,000 from two separate third party contracts in any 12 month period. The expiry date of the Class A performance shares is 8 December 2017.


The Class B performance shares each convert to one ordinary fully paid share upon the Company generating gross revenue of at least \$3,000,000 for a 12 month consecutive period. The expiry date of the Class B performance shares is 8 June 2018.

No Class A or B conversion milestones were met during the current quarter. No performance shares were converted or cancelled during the current quarter.

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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: Date: 29 April 2016

(Company secretary)

Print name: Brett Tucker

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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