



## ASX RELEASE

31 January 2019

ASX  
Announcements  
4<sup>th</sup> Floor  
20 Bridge Street  
Sydney, NSW 2000

### **QUARTERLY REPORT    DECEMBER QUARTER 2018 EXECUTIVE SUMMARY AND APPENDIX 4C**

Mejority Capital Limited ("MJC" or "Company") is pleased to provide the following commentary on the Group's activities for the accompanying Appendix 4C.

Key items of note within the 4C are as follows:

- A significant reduction in cash at bank from \$2.12M at the end of the previous quarter, to \$0.15M at the end of the current quarter reflects the withdrawal of a significant sum of client funds during the quarter. Client funds held by the Company on behalf of clients are always reflected as cash at bank. At the end of the quarter the Company held no client funds.
- The Company acquired a property during the quarter at Elkhorn Avenue in Surfers Paradise. It plans to move the current Broadbeach Office to the new property as it provides a larger and superior office space, a better location and a monthly saving in rent and outgoings from the current office. This acquisition is reflected in 3.7 and 8.1 of the 4C.
- The Cashflows from Operating Activities shows an increasing in operating revenues, reflecting in part increased revenues from Smart Money, acquired during the year. However, the operating costs associated with Smart Money have also seen the overall operating position deteriorate. Management has addressed this issue and we are comfortable that we have stabilised that position.

For further information:

Neil Sheather (CEO) or Simon Lill (Chairman)

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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

Mejority Capital Limited

ABN

52 106 760 418

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	966	1,453
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(768)	(1,095)
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(143)	(293)
	(f) administration and corporate costs	(169)	(268)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(15)	(15)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Rental bond (paid)/returned	-	-
1.8	Net client monies received/(returned)	(1,556)	114
1.9	Net cash from / (used in) operating activities	(1,685)	(104)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(1,298)	(1,298)
	(b) businesses (see item 10)	(60)	(60)
	(c) investments	(154)	(657)
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(b) businesses (see item 10)	-	-
	(c) investments	90	118
	(d) intellectual property	-	-
	(e) Commercial property	-	-
2.3	Cash flows from loans to other entities	4	(8)
2.4	Dividends received (see note 3)	-	-
2.5	Deposit held – Hong Kong divesture	-	-
2.6	Net cash from / (used in) investing activities	(1,418)	(1,905)
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 (Property)	-	-
3.7	Transaction costs related to loans and borrowings	1,106	1,106
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,106	1,106
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	2,123	1,017
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,685)	(104)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,418)	(1,905)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,106	1,106
4.5	Effect of movement in exchange rates on cash held	26	38
4.6	Deconsolidation of discontinued operations cash held	-	-
4.7	Cash and cash equivalents at end of quarter	152	152

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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	152	2,123
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Cash from discontinued operation	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	152	2,123

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
122
-

Executive Director remuneration and Non-Executive Director fees

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
-
-

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.

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
1,000	1,000
-	-
-	-

The loan facility is secured by a commercial property.

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	-
9.2	Product manufacturing and operating costs	210 <sup>2</sup>
9.3	Advertising and marketing	-
9.4	Leased assets	-
9.5	Staff costs	142
9.6	Administration and corporate costs	170
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	522

<sup>2</sup> Revenues are generated and are directly related to direct operating costs.

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions \$A'000	Disposals \$A'000
10.1	Name of entity	Pinnacle Advisory Services Pty Ltd	-
10.2	Place of incorporation or registration	Queensland	-
10.3	Consideration for acquisition or disposal*	60	-
10.4	Total net assets	-	-
10.5	Nature of business	Financial services	-

### 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: .....  
Director & Company secretary

Date: 31 January 2019

Print name: Simon Lill

### Notes

1. The quarterly report provides a basis for information 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.