

Appendix 4C - Quarterly report

Commentary for the quarter ending 31 March 2015

Cash receipts from customers for the March quarter were \$2.20 million, an increase of 9.4% or \$0.19 million versus the December quarter, and a second consecutive quarter of growth in cash receipts.

Net operating cash showed an **inflow** of \$0.38 million for the March quarter compared to an **outflow** of \$1.65 million for the December quarter. The March quarter included receipt of the annual R&D Tax Incentive payment for the FY2014 year of \$2.07 million. Excluding this receipt, cash outflow for the March quarter would have been \$1.69 million.

The Company expects cash outflows will decrease in coming quarters, as Trading Technology revenues continue to grow and operating costs remain flat.

Cash at the end of the March quarter was \$6.08 million.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

ADSLTD LTD

ABN

70 001 287 510

Quarter ended ("current quarter")

31 March 2015

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	2,206	5,739
1.2 Payments for:		
(a) staff costs	(1,707)	(4,819)
(b) advertising and marketing	(50)	(166)
(c) research and development (Note 4)	(925)	(2,732)
(d) leased assets	(1)	(1)
(e) website publisher payments	(462)	(805)
(f) other cost of sales	(178)	(475)
(g) other working capital/overheads	(608)	(2,360)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	50	138
1.5 Interest and other costs of finance paid	-	-
1.6 Income and Other taxes paid	(4)	(16)
1.7 Other – R&D Tax Incentive	2,065	2,065
– Government grant	-	-
Net operating cash flows	386	(3,432)

+ 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 (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	386	(3,432)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	(9)	(34)
1.10 Proceeds from disposal of:		
(a) businesses	-	-
(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)	-	-
Net investing cash flows	(9)	(34)
1.14 Total operating and investing cash flows	377	(3,466)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc. – Note 3	-	6,523
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 – Costs relating to issues of shares	-	(364)
Net financing cash flows	-	6,159
Net increase (decrease) in cash held	377	2,693
1.21 Cash at beginning of quarter/year to date	5,685	3,354
1.22 Exchange rate adjustments – Note 2	16	31
1.23 Cash at end of quarter	6,078	6,078

+ See chapter 19 for defined terms.

**Appendix 4C - Quarterly report for entities
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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	91
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 of \$91k.	

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	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

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	1,300	670
4.2 Deposits at call	4,778	5,015
4.3 Bank overdraft	-	-
4.4 Other	-	-
Total: cash at end of quarter (item 1.23)	6,078	5,685

Acquisitions and disposals of business entities

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

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: 30 April 2015
Company Secretary

Print name: Brendan Maher

+ See chapter 19 for defined terms.

Notes

1. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
2. **Exchange Rate Adjustment (1.22):** Represents accounting adjustment related to conversion of US dollar, NZ dollar, GB pound and Euro bank account balances to local currency.
3. **Proceeds from issue of shares (1.2a & 1.15):** Includes \$6.5m funds raised from a share placement and \$23k received from options exercised by an employee.
4. **Research & Development (1.2c):** Represents direct payroll and on-costs related to on-going technology development work compliant with R&D Grant regulations.