

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

Velpic Limited

ABN

65 149 197 651

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 Months) \$A'000
1.1 Receipts from customers (i)	414	414
1.2 Payments for (a) staff costs – Velpic (ii)	(411)	(411)
staff costs – ICX (iii)	(359)	(479)
(b) advertising and marketing	(25)	(25)
(c) research and development	(64)	(64)
(d) leased assets	-	-
(e) other working capital	(342)	(611)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Cost of sales payments	(197)	(197)
R&D rebate	-	26
Tenement Refund	-	32
Payments associated with acquisition of Velpic	(215)	(215)
Net operating cash flows	(1,192)	(1,517)

+ See chapter 19 for defined terms.

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	Current quarter \$A'000	Year to date (6 Months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,192)	(1,517)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)	109	109
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(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)		
Net investing cash flows	109	109
1.14 Total operating and investing cash flows	(1,083)	(1,408)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	4,012	4,012
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings from Director	(67)	(67)
1.19 Dividends paid		
1.20 Other – Cost of share issue	(219)	(219)
Net financing cash flows	3,726	3,726
Net increase (decrease) in cash held	2,643	2,318
1.21 Cash at beginning of quarter/year to date	610	935
1.22 Exchange rate adjustments to item 1.20		-
1.23 Cash at end of quarter	3,253	3,253

Note (i): The Company acquired the Velpic group of companies on 22 October 2015. As a result, this cash flow statement includes the Velpic cash flows since the date of acquisition being the period from 22 October 2015 to 31 December 2015.

Note (ii): Staff costs – Velpic include the on-going staff costs associated with the Velpic group of companies currently in operation from the period 22 October 2015 to 31 December 2015.

Note (iii): Staff costs – ICX are the staff costs incurred by the business when it was operating as International Coal Limited (ICX) and includes termination payments to former staff and Directors of ICX. These payments are non-recurring.

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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	505
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	<p>Explanation necessary for an understanding of the transactions</p> <p>Directors' fees, salaries and superannuation. This amount includes Director fees and non-recurring termination payments of \$333k to former directors of the Company whilst it was trading as International Coal Limited and transitioning to Velpic Limited.</p>	

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

The Company acquired 100% of Inductor Pty Ltd as trustee for the Inductor Trust and Dash Digital Pty Ltd as trustee for the Dash Unit Trust on 22 October 2015. The consideration paid for the purchase of the businesses was the issue of 125,000,000 ordinary shares of the Company.

- 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	3,216	573
4.2 Deposits at call	37	37
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	3,253	610

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	- Inductor Pty Ltd as trustee for the Inductor Trust - Dash Digital Pty Ltd as trustee for the Dash Unit Trust	
5.2 Place of incorporation or registration	Australia	
5.3 Consideration for acquisition or disposal	\$2,500,000 in equity	
5.4 Total net assets	(676,250)	
5.5 Nature of business	A cloud based video e-learning platform and a brand technology agency	

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 January 2016
Piers Lewis
Company secretary

Notes

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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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