

Clarification to Activities Report & Cash Flow Statement for the 3 months ending 30 June 2023

The Company provides the following clarification to the above document as lodged on 31 July 2023:

- The expenditure incurred on the activities may be summarised as:

	Security Business \$'000	Traffic Business \$'000	Corporate \$'000	Total \$'000
Cashflows from Operating Activities	215	154	-86	282
Cashflows from Investing Activities	-7	-243	0	-249
Cashflows from Financing Activities	178	252	-77	353
Net Movement	387	163	-163	386

- As shown in Section 6 of the Appendix 4C, during the Quarter the Company paid a total of \$95,400 to Related Parties, being:
 - \$35,500 in Director Fees
 - \$59,900 to the CEO, Paul Simmons, including salary and office rent
- Section 7 of the Appendix 4C refers to the \$93,000 remaining liability on vehicle operating leases. By way of clarification:
 - this relates to finance on three site patrol cars and one commercial light vehicle acquired with lease finance during 2022
 - the interest rate is 4.85%,
 - the amounts are repayable in equal monthly instalments over 4 years since inception,
 - the loan is secured over the related vehicles
- Section 7 of the Appendix 4C refers to \$251,000 liability on a Nab Vehicle Loan facility. By way of clarification:
 - this relates to finance on one truck and three commercial light vehicles acquired by the Highways Traffic Pty Ltd subsidiary in June 2023 as part of a rolling program of replacement / upgrade to its operational vehicle fleet
 - the facility has a maximum limit of \$650,000 but was only drawn down by \$251,000 at 30 June 2023
 - the interest rate is 7.41% ,
 - the loan is repayable in equal monthly instalments over 5 years,
 - the loan is secured over the related vehicles and guaranteed by the Company



Jonathan Asquith

Company Secretary

MCS Services Limited

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