

## Market Update

### **Appendix 4C - May 2012**

The Report on Cash Flows for the month of May 2012, provided in accordance with Listing Rule 4.7B(d), is attached.

The interest expense and other costs of finance paid in the month of \$19,782 is significantly lower than prior months due to a change in the timing of interest payments to the 1<sup>st</sup> of each month. This change was initiated by BankWest to facilitate their processes.

### **Debt Facility**

The Company confirms it has complied with its obligations under the agreed monthly repayment schedule as outlined in the varied Senior Syndicated Finance Facility dated 24 January 2012 (Agreement).

The Company wishes to provide some additional disclosure on the terms of that obligation as follows:

1. These obligations are assessed on a cumulative basis over the period from 1 August 2011 to the Facility Expiry on 15 December 2012; and
2. A potential Review Event, as outlined in the Company's ASX announcement of 25 January 2012, requires a cumulative repayment shortfall variance of more than 25% over a continuous 3 month period.

Gross debt at 31 May 2012 was \$19.7m (30 April 2012 was \$22.1m) whilst net debt was \$18.8m (30 April 2012: \$21.0m).

Net debt is currently \$17.3m.

### **Loan Book**

At 31 May 2012 the unaudited Loan Book was \$36.8m (Gross) and \$33.4m (Net).

The Net Loan Book by product and the underlying trend is highlighted in the following table:

	31 May 2012	30 April 2012	31 March 2012
Disbursement Funding	51%	51%	51%
Personal Injury	27%	27%	27%
Matrimonial	19%	19%	20%
Inheritance Funding	3%	3%	3%

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Ask Funding Limited.  
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# Appendix 4C

## Monthly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

**ASK FUNDING LIMITED**

ABN

**22 094 503 385**

Month ended ("current month")

**31 MAY 2012**

### CONSOLIDATED STATEMENT OF CASH FLOWS

		Current month	Year to date (11 months)
		\$A'000	\$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from customers for: (note 1)		
	(a) Interest income	702	7,256
	(b) Fee income	138	1,161
1.2	Payments to suppliers for		
	(a) staff costs	(122)	(1,774)
	(b) advertising and marketing	-	-
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(61)	(1,303)
1.3	Dividends received	-	-
1.4	Other interest income received (note 2)	4	69
1.5	Interest expense and other costs of finance paid (note 3)	(20)	(2,128)
1.6	Income taxes paid/refund	-	381
1.7	Other	-	-
<b>Net operating cash flows</b>		<b>641</b>	<b>3,662</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Monthly report for entities**  
**admitted on the basis of commitments**

		Current month \$A'000	Year to date (11 months) \$A'000
<b>1.8</b>	<b>Net operating cash flows (carried fwd)</b>	<b>641</b>	<b>3,662</b>
	<b>Cash flows related to investing activities</b>		
1.9	Payment for acquisition of:		
	(a) businesses	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) other intangible assets (software)	-	-
	(e) plant and equipment	-	-
	(f) other non-current assets	-	(10)
1.10	Proceeds from disposal of:		
	(a) businesses	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) other intangible assets (software)	-	-
	(e) plant and equipment	-	1
	(f) other non-current assets	-	-
1.11	Loans advanced to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (note 4)		
	(a) loans advanced to customers	-	(5,457)
	(b) loans repaid by customers	1,594	16,714
	(c) payments for loans assigned by a third party	-	-
	<b>Net investing cash flows</b>	<b>1,594</b>	<b>11,248</b>
<b>1.14</b>	<b>Total operating and investing cash flows</b>	<b>2,235</b>	<b>14,910</b>
	<b>Cash flows related to financing activities</b>		
1.15	Proceeds from issues of shares, options	-	-
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	(2,400)	(16,300)
1.19	Dividends paid	-	-
1.20	Other – transaction costs (note 5)	-	(177)
	<b>Net financing cash flows</b>	<b>(2,400)</b>	<b>(16,477)</b>
	<b>Net increase (decrease) in cash held</b>	<b>(165)</b>	<b>(1,567)</b>
1.21	Cash at beginning of month/year to date	(1,083)	2,485
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	<b>Cash at end of month</b>	<b>918</b>	<b>918</b>

+ See chapter 19 for defined terms.

### **Explanatory notes to “Cash flows related to operating activities”**

Note 1:	<p>Receipts from customers  Operational receipts from customers represent interest and fee income received on the repayment of loans.</p> <p>As the loans to customers are not subject to periodic repayments but are repaid in one sum on final settlement of the customers underlying legal matter, the amount of interest and fee income included in the operational receipts for the period can differ significantly from the accrual based calculation of interest and fee income for recognition in the profit for the same period. On a cumulative basis however the amounts are equal.</p> <p>Operational receipts from customers do not include repayments of principal amounts as these are considered to be cash flows related to investing activities (refer note 4 below).</p> <p>(a) Interest income  Interest income received includes fees charged on the establishment of the loan which form an integral part of the effective interest rate charged on funds advanced.</p> <p>(b) Fee income  Fee income received includes annual assessment and account servicing fees, the amount of which can not be established on commencement of the loan to customers and which does not form a part of the effective interest rate.</p>
Note 2:	Other interest income is received on surplus cash deposits held at bank.
Note 3:	Interest and financing costs are paid on facilities disclosed at item 3.1 below.

### **Explanatory notes to “Cash flows related to investing activities”**

Note 4:	Loans advanced to and repaid by customers represent principal amounts only and are classified as investing cash flows in recognition of their capital nature. Interest and fee receipts generated from this capital investment are classified as operating receipts from customers (refer note 1) rather than as investing cash flows.
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### **Explanatory notes to “Cash flows related to financing activities”**

Note 5:	Transaction costs incurred represent amounts paid to financiers and professional advisors in respect of the Debt Facility.
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+ 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 month \$A'000
1.24 Aggregate amount of payments to the parties included in item 1.2	53
1.25 Aggregate amount of loans to the parties included in item 1.11	-
1.26 Explanation necessary for an understanding of the transactions	

**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
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- 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
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**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	19,700	19,700
3.2 Credit standby arrangements	85	85

## Reconciliation of cash

Reconciliation of cash at the end of the month (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current month \$A'000	Previous month \$A'000
4.1	Cash on hand and at bank	918	1,083
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other	-	-
<b>Total: cash at end of month (item 1.23)</b>		<b>918</b>	<b>1,083</b>

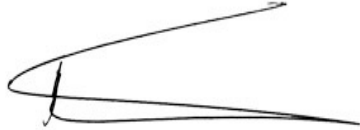
## Acquisitions and disposals of business entities

	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 assets	
5.5	Nature of business	

+ See chapter 19 for defined terms.

## 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 ~~not~~\* ~~(delete one)~~ give a true and fair view of the matters disclosed.



Sign here: ..... Date: .....25 June 2012.....  
(Director/~~Company secretary~~)

Print name: ....RUSSELL TEMPLETON.....

## Notes

1. The monthly 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 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
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting 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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