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ASX RELEASE 27 February 2015

Market Update
FY 2015 Half Year Results

Half-year results

Attached are the interim financial reports of Ask Funding Limited (ASX: AKF) for the six months ended 31 December 2014.

Key points of the result for the period include:

- Net loss after tax for the six months ended 31 December 2014 of $0.25 million, down from a loss of $0.37 million for the previous corresponding period
- The net profit after tax before net present value adjustment was approximately $0.18 million. On a statutory basis the loss was due to a requirement under the relevant accounting standards to create a present value adjustment of $0.43 million to the carrying value of all impaired loans. This adjustment is a non-cash charge which is calculated by discounting forecast future cash payments from impaired loans using a discount rate equal to the underlying interest rate of each loan (i.e. a rate between 15.95% and 27.95%). The calculation assumes that on average impaired loans held as at 31st December 2014 will be repaid on 30th June 2016. Directors believe this is a conservative assumption and further that the use of underlying loan interest rates to calculate net present values is also conservative.

  The entire $0.43 million charge will be progressively reversed over the course of 2015 and 2016 financial years if forecast cash returns are achieved for provisioned assets. The net present value provision is in no way indicative of any loss of confidence in the ability of the Company to recover impaired loans but instead reflective of a conservative valuation position in light of the longer than previously expected loan duration.

  As at 31st December 2014 the total net present value provision was $0.71 million inclusive of the $0.43 million charge taken in the current period. Directors note that if current loan recovery forecasts are achieved, the majority of the net present value provision will reverse over the course of 2015 and 2016 financial years and result in increased profits than would otherwise be reported in future periods.

- Interest and fee income decreased by 17% to $1.315 million from $1.585 million in the previous corresponding period as a result of decreases in both the average gross loan book and gross outstanding debt.
- Impairment expenses relating to loans and advances together with associated recovery expenses decreased to $0.88 million from $1.16 million.
- Expenses (excluding impairment and recovery costs) decreased by 33% to $0.36 million from $0.55 million in the previous corresponding period reflecting the reduction in the size of operations.
- The gross loan book contracted by 41% to $10.6 million from $18.0 million at the end of the previous corresponding period.

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Outlook

To date the company has returned $5m to shareholders by way of franked dividends or return of capital. However, the current size of the net loan book ($5.9m) and the unpredictable and inconsistent cash flow derived from the loan book makes it very difficult for the Board to predict the likely amount and timing of future distributions to shareholders. As part of the process for the Half Year Review the Company conducted a review and analysis of all loans that constitute the loan book. As a consequence of this review the Company presently considers it is unlikely that any further return of funds to shareholders will be made over the course of the 2014-15 financial year.

As previously reported to the Market the Board has progressively reduced the Company's cost base in line with the rundown of receivables. The Board considers that it will be difficult to be able to further reduce the Company's cost base whilst it remains listed on the Australian Stock Exchange. The Board continues to closely monitor the Company's revenue, cost base and cash flow to ensure operational viability.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Ask Funding Limited
ABN 22 094 503 385
ASX Half-year information - 31 December 2014

Lodged with the ASX under Listing Rule 4.2A.
This information should be read in conjunction with the
30 June 2014 Annual Report

Contents

Ask Funding Limited
For The half-year ended 31 December 2014
(Previous corresponding period: half-year ended 31 December 2013)

Results for announcement to the market
31 December 2014

		%		$000's
Revenue from ordinary activities (net interest, fee and other income) *(Appendix 4D item 2.1)*	down	17	to	1,315
Profit / (loss) from ordinary activities after tax attributable to members *(Appendix 4D item 2.2)*	up	31	to	(256)
Net profit / (loss) for the period attributable to members *(Appendix 4D item 2.3)*	up	31	to	(256)

Dividends / distributions *(Appendix 4D item 2.4)*	**Amount per security Cents**	**Franked amount per security Cents**
Final dividend *(Prior year)*	4.245	4.245
Interim dividend	-	-

Key Ratios	**2014 Cents**	**2013 Cents**
Basic earnings per share	(0.39)	(0.57)
Net tangible assets per share	8.9	18.2

Refer to the attached 'Interim Financial Report for the period ended 31 December 2014 including the Review of operations and the results of those operations contained within the Directors' Report for further explanations where applicable.

Director's report

The Director's present their report together with the consolidated interim financial report being Ask Funding Limited ("the Company") its controlled entities ("the Group") for the half-year ended 31 December 2014.

ARC Legal Pty Ltd, the sole remaining subsidiary of Ask Funding Limited, was de-registered on 1 October 2014.

Directors

The following persons were directors of Ask Funding Limited during the half-year and up to the date of this report:

Mr Kenneth R Rich B Com, MBA, CMC

Independent Non-Executive Director since 24 January 2005 and Chairperson since 1 July 2006.

Mr Russell E Templeton LLB

Managing Director and Chief Executive Officer since 16 November 2004.

Mr Misha A Collins CFA

Independent Non-Executive Director since 11 October 2010.

Review of operations

Overview of the consolidated entity

The Company has continued to service and amortise its loan book with the sole objective of delivering the surplus funds to shareholders. The Company's loan book remains permanently closed to new loans.

Basis of preparation of financial statements - orderly realisation of assets and settlement of liabilities

Given the orderly run-off and closure of the Company's loan books, the directors consider it appropriate to prepare the financial report for the period ended 31 December 2014 on an orderly realisation of assets and settlement of liabilities basis over the period required to achieve an orderly realisation of assets and liabilities ("orderly realisation basis"), rather than a going concern basis.

Loan book size and split by product

The gross loan book contracted by 41% to $10.6 million from $18.0 million at the end of the previous corresponding period. This decrease reflects the suspension of lending on new loans and the focus on collection of Loan Book receivables in accordance of the Company's run-off strategy.

The net loan book contracted by 53% to $5.7 million from $12.1 million at the end of the previous corresponding period.

The net loan book split by product and the underlying trend is highlighted in the following table:

	31 December 2014	30 June 2014	30 June 2013
Disbursement Funding	16%	25%	46%
Personal Injury	24%	28%	26%
Matrimonial	57%	45%	26%
Inheritance Funding	3%	1%	2%

The closure of all Loan Books to new loans has resulted in an accelerated contraction of the loan book with the revenue of the business declining over time in line with this contraction.

Review of operations (continued)

Impairment of loans and advances

Impairment and recovery costs of $1.2 million incurred during the period represent a decrease of 14% from the previous corresponding period of $1.4 million.

Impairment in the Personal Injury product during the period has increased from historical levels however is not inconsistent with the high gross return derived from the product and the non recourse (in certain circumstances) nature of this product. The collective provision for this product remains in place.

Impairment in the Disbursement Funding loan book has remained low and reflects only those interest and fees not recoverable under some law firm guarantees. The collective provision for this product remains in place.

The nature of the Matrimonial and Inheritance Funding loan books, the underlying legal matters and security provided ,is such that it is difficult to group the loans on the basis of risk characteristics and overlay a general or collective provision having due regard to these risks. Accordingly impairment in respect of these loan books continues to be determined on an individual case by case basis after taking account of the likely time to settlement and potential further deterioration in asset pool values. A relevant factor is the inordinate delays being experienced by litigants in the Family Court of Australia. These delays have resulted in an increase in interest and fees payable on the loans advanced, this increase being well in excess of original forecasts. In some cases the total payable (being principal and accrued interest and fees) now exceeds the value of the underlying security and these loans have been impaired in recognition of this.

Staff

A redundancy program consistent with the orderly run-off and closure of the Company's Loan Books was implemented in the financial year ended 30 June 2011 and has continued in the current period. Pursuant to the run down strategy approved by the shareholders all staff were terminated by 31 December 2013. Management of the Company following the date is being undertaken through terminable outsourcing arrangements.

Mr Russell Templeton, the Managing Director and CEO, had his contract terminated effective 31 December 2013 as noted above and in the previous Annual Report. The Company has secured the services of Mr Templeton on an outsourced arrangement to a business controlled by Mr Templeton to assist with the rundown of the loan books. This was determined to be the optimal way forward as it retains the corporate knowledge and provides consistency. Key elements are:

- The arrangement is month to month and has no fixed term
- The contract is for a fixed fee of $5,500 (inclusive of GST) per month
- Either party may terminate the contact by giving three months' notice in writing to the other party.

Outlook

At the Company's Annual General Meeting on 29 November 2011, the shareholders approved the run-off and the closure of the Company's Loan Books to new loans. This closure was effected on 31 January 2012 and accordingly the Company's future activities are limited to the servicing and amortising of its Loan Books with the sole objective of distributing all surplus funds to shareholders.

To date the company has returned $5m to shareholders by way of franked dividends or return of capital. However, the current size of the net loan book ($5.7m) and the unpredictable and inconsistent cash flow derived from the loan book makes it very difficult for the Board to predict the likely amount and timing of future distributions to shareholders. On current indications it is unlikely that any further return of funds to shareholders will be made over the course of the 2014-15 financial year.

To ensure that the net loan book reflects the likely ultimate recovery of funds from receivables not yet collected, the company has suspended the accrual of interest on a substantial proportion of the Company's Loan Book as part of its specific provisioning. As a result of this, revenue derived from the loan book has decreased and will continue to do so. Revenue will also continue to decline as a result of repayment of loans.

As previously reported to the Market the Board has progressively reduced the Company's cost base in line with the rundown of receivables. The Board considers it unlikely that it will be able to further reduce the Company's cost base whilst it remains listed on the Australian Stock Exchange. The Board continues to closely monitor the Company's revenue, cost base and cash flow to ensure operational viability.

Review of financial performance and position

Consolidated operating profit / (loss) after tax

The consolidated results for the six months attributable to the members of the Company are:

	31 December 2014 $000	31 December 2013 $000
Revenue (net interest and fee income	**1,315**	1,585
Expenses, excluding impairment and loan recovery expenses	**(364)**	(546)
Impairment of loans and advances	**(881)**	(1,159)
Loan recovery expenses	**(326)**	(252)
Profit / (loss) before income tax	**(256)**	(372)
Income tax expense	**-**	-
Net profit / (loss) attributable to members	**(256)**	(372)

The net loss for the period is $0.25 million in comparison to the net loss of $0.37 million for the previous corresponding period. Loss per share is 0.39 cents.

The loss for the period reflects the run-off strategy adopted by the Company.

Profit from operations

Gross interest earnings have decreased by 17% to $1.3 million reflecting the reduction in the gross loan book. Gross interest margins per product and fee income, which reflects account servicing and reassessment fees, have remained consistent with the previous corresponding period.

Gross interest and fee income will continue to reduce as the loan book contracts as a result of the orderly run-off of all loan books.

Expenses, excluding depreciation, amortisation and impairment, decreased by 33% to $0.36 million from $0.55 million in the previous corresponding period reflecting the continued reduction in the size of operations.

The impairment of loans and advances expense has decreased to $0.88 million from $1.16 million in the previous corresponding period.

Financial position

Consolidated net assets have decreased by 43% since 30 June 2014 to a total of $5.85 million. Net tangible assets are 8.9 cents per share.

At 31 December 2014 the Company's liabilities include trade payables of $0.22 million. The Directors are satisfied that the Company will have sufficient cash resources to settle its liabilities as and when they fall due.

Cashflows

Consolidated cash inflows from operations for the period ended 31 December 2014 have decreased to $1.28 million compared to $1.34 million in the previous corresponding period. The significant decrease in interest, supplier and employee payments has been partially offset by the decrease in interest and fees received.

The cash inflow from investing activities for the period of $1.1 million has decreased compared to $2.3 million in the previous corresponding period reflecting the closure of all loan books.

The net cash inflows from both operations and investing activities of $4.1 million have delivered to shareholders as a return of capital and dividend, consistent with the Company's objective of delivering surplus funds to shareholders.

Lead auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

This report is signed in accordance with a resolution of directors.

Kenneth R Rich
Director

Brisbane, 26 February 2015

Grant Thornton

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Auditor's Independence Declaration
To The Directors of Ask Funding Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Ask Funding Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b No contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A F Newman
Partner - Audit & Assurance

Brisbane, 26 February 2015

	Notes	31 December 2014 $	31 December 2013 $
Interest income		**1,201,315**	1,502,055
Interest expense		**-**	(106,683)
Net interest income		**1,201,315**	1,395,372
Fee Income		**101,168**	189,128
Other Income		**13,000**	-
Expenses			
Employee benefits expense		**-**	(329,404)
Impairment of loans and advances	7	**(880,837)**	(1,159,389)
Loan recovery expenses		**(325,636)**	(251,286)
IT expenses		**(27,531)**	(34,014)
General and administrative expenses		**(337,286)**	(182,740)
Loss before income tax		**(255,807)**	(372,333)
Income tax expense		**-**	-
Loss for the year		**(255,807)**	(372,333)
Loss per share		**Cents**	Cents
Basic loss per share	6	**(0.39)**	(0.57)
Diluted loss per share	6	**(0.39)**	(0.57)

The above interim consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

	Notes	31 December 2014 $	31 December 2013 $
Loss for the period		**(255,807)**	(372,333)
Total comprehensive loss for the period		**(255,807)**	(372,333)

The above interim consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated	**Contributed equity**	**Profits reserve**	**Retained earnings / (loss)**	**Total equity**
	$	**$**	**$**	**$**
Balance at 1 July 2013	**18,595,828**	**1,011,320**	**(7,225,554)**	**12,381,594**
Profit / (loss)	-	-	(372,333)	(372,333)
Total comprehensive income for the half-year	-	-	(372,333)	(372,333)
Transactions with owners of the Company, recognised directly in equity				
Return of capital	-	-	-	-
Transfers to profits reserve	-	-	-	-
Dividends to equity holders	-	-	-	-
Balance at 31 December 2013	18,595,828	1,011,320	(7,597,887)	12,009,261

Consolidated	**Contributed equity**	**Profits reserve**	**Retained earnings / (loss)**	**Total equity**
	$	**$**	**$**	**$**
Balance at 1 July 2014	**18,595,828**	**11,435**	**(8,399,944)**	**10,207,319**
Profit / (loss)	-	-	(255,807)	(255,807)
Total comprehensive income for the half-year	-	-	(255,807)	(255,807)
Transactions with owners of the Company, recognised directly in equity				
Return of capital	(1,299,983)	-	-	(1,299,983)
Transfers to profits reserve	-	2,818,442	(2,818,442)	-
Dividends to equity holders	-	(2,799,812)	-	(2,799,812)
Balance at 31 December 2014	17,295,845	30,065	(11,474,193)	5,851,717

The above interim consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Notes	31 December 2014 $	30 June 2014 $
ASSETS			
Cash and cash equivalents		**354,981**	2,062,493
Net loans and advances	7	**5,685,831**	8,230,312
Other assets	8	**34,943**	59,945
Total assets		6,075,755	10,352,750
LIABILITIES			
Trade and other payables	9	**224,038**	145,431
Total liabilities		224,038	145,431
Net assets		5,851,717	10,207,319
EQUITY			
Contributed equity		**17,295,845**	18,595,828
Reserves		**30,065**	11,435
Retained losses		**(11,474,193)**	(8,399,944)
Total equity		5,851,717	10,207,319

The above interim consolidated statement of financial position should be read in conjunction with the accompanying notes.

	Notes	31 December 2014 $	31 December 2013 $
Cash flows from operating activities			
Interest and fees received		1,903,352	2,317,369
Receipts from customers		25,300	-
Interest paid		-	(134,854)
Payments to suppliers and employees		(645,683)	(843,224)
Net cash inflow from operating activities		1,282,969	1,339,291
Cash flows from investing activities			
Loans repaid by clients		1,109,314	2,328,540
Net cash inflow from investing activities		1,109,314	2,328,540
Cash flows from financing activities			
Dividends paid		(2,799,812)	-
Return of capital		(1,299,983)	-
Repayment of borrowings		-	(3,800,000)
Net cash from financing activities		(4,099,795)	(3,800,000)
Net increase / (decrease) in cash and cash equivalents		(1,707,512)	(132,169)
Cash and cash equivalents at 1 July		2,062,493	189,849
Cash and cash equivalents at end of the half-year		354,981	57,680

The above interim consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 Reporting entity

Ask Funding Limited (the 'Company') is a company domiciled in Australia. The consolidated interim financial statements of the Company as at and for the six months ended 31 December 2014 comprises the Company and its subsidiaries (together referred to as the 'Group').

Arc Legal Pty Ltd, the sole remaining subsidiary of Ask Funding Limited, was de-registered on 1 October 2014.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2014 is available upon request from the Company's registered office at Level 11, Central Plaza Two, 66 Eagle Street, Brisbane QLD or at www.askfunding.com.au.

2 Statement of compliance

These interim financial statements have been prepared in accordance with *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 30 June 2014 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

(i) Basis of preparation - orderly realisation of assets and settlement of liabilities

These interim financial statements were approved by the Board of Directors on 26 February 2015.

The interim financial statements for the half-year ended 31 December 2014 have not been prepared on a going concern basis and have been prepared on an alternate basis of an orderly realisation of the Group's assets and settlement of its liabilities over the period required to achieve an orderly realisation of assets and settlement of liabilities ("orderly realisation basis").

In preparing the interim financial statements on an orderly realisation basis, the Directors have continued to apply the requirements of Australian Accounting Standards taking into account that the Company is not expected to continue as a going concern in the future. No additional provisions or liabilities have been recognised as a result of the orderly realisation as the Directors have not incurred any additional legal or contractual obligations.

At the Company's Annual General Meeting held on 29 November 2011, the shareholders voted in favour of the orderly run-off and the closure of the Company's Loan books to new loans. This run-off entails:

- The cessation of lending on all products. New lending on all products ceased in January 2012.
- Sell part or all of the Group's loan book.
- The recovery of all loans in accordance with the loan contracts and realisation of other assets in an orderly manner.
- The repayment of amounts owing to Bank of Western Australia Ltd ("BankWest") under the Senior Syndicated Facility.
- The settlement of all creditors and liabilities.
- The return of net proceeds to shareholders.

It is the view of the Director's that this run-off should be conducted in an orderly manner so as to maximise the return to shareholders.

Accordingly, the interim financial statements have been prepared on the basis of a realisation of assets and settlement of liabilities.

The recoverability of the Group's loans receivable is dependent on realising these loans from the sale and/or settlement of litigation occurring within the timeframe and at values used in assessing the recoverable amount of loans receivable at 31 December 2014.

An impairment charge has been included in the financial statements for the estimated difference between the face value of the loans receivable and the amount expected to be realised. The value of loans receivable are regularly reviewed and adjustments made to the impairment charge as necessary.

Given the uncertainties involved in assessing asset carrying values on an orderly realisation basis, it is likely that there may be differences between the amounts at which assets are recorded in the interim financial statements at 31 December 2014 and the amounts that are actually realised, and such differences may be material.

(ii) Significant accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Groups last annual financial statements for the year ended 30 June 2014.

The accounting policies have been applied consistently throughout the Group for the purpose of the preparation of these interim financial statements.

3 Estimates

The preparation of consolidated interim financial statements requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2014.

4 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial report as at and for the year ended 30 June 2014.

5 Segment reporting

For management purposes, Ask Funding Limited operates under one reportable segment based on the operations of the Group being entirely performed in the business segment of consumer finance predominately within Australasia.

No operating segments have been aggregated to form the above reportable operating segment.

Management monitors the operating results of the reporting segment for purposes of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

As the Group has only one reportable segment, the profit for the segment includes all income and expense items for the Group for the half-year and the assets of the segment include all of the Group's assets at balance date.

6 Earnings per share

	31 December 2014 cents	31 December 2013 cents
(a) Basic loss per share		
Basic loss per share for the period	(0.39)	(0.57)
Loss attributable to the ordinary equity holders of the Company	(0.39)	(0.57)
(b) Diluted loss per share		
Diluted loss per share from continuing operations	(0.39)	(0.57)
Loss attributable to the ordinary equity holders of the Company	(0.39)	(0.57)

(c) Reconciliation of loss used in calculating loss per share

	31 December 2014 cents	31 December 2013 cents
Basic loss per share		
Loss for the period	(255,807)	(372,333)

(d) Weighted average number of shares used as the denominator

	31 December 2014 cents	31 December 2013 cents
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	**65,955,515**	65,955,515

7 Net loans and advances

	31 December 2014 $	30 June 2014 $
Net loans and advances		
Family Law	7,495,677	7,636,640
Disbursement Funding	1,066,247	2,623,632
Personal Injury	1,802,144	2,903,921
Other	259,277	252,559
Provision for impairment	(4,937,514)	(5,186,440)
Total	5,685,831	8,230,312

These financial assets are classified as loans and receivables and are measured at amortised cost using the effective interest method.

(a) Provision for impairment

The movement in the provision for impairment in respect of loans and advances during the period is as follows:

	31 December 2014 $	30 June 2014 $
Specific provision		
Opening balance	4,953,222	4,305,438
Charge to operating profit	1,059,347	2,828,386
Write-offs	(1,129,763)	(2,180,602)
Closing balance	4,882,806	4,953,222
Collective provision		
Opening balance	233,218	420,686
Charge to operating profit	(178,510)	(187,468)
Write-offs	-	-
Closing balance	54,708	233,218
Closing Balance	4,937,514	5,186,440

(b) Fair Value

The fair value of loans and advances cannot be measured reliably given the nature of the loans, the lack of a liquid market for comparable assets and the uncertainty as to the timing and collection of these loans (as many loans are subject to the outcome of litigation and / or the realisation of security) and hence have not been disclosed.

8 Other assets

	31 December 2014 $	30 June 2014 $
Deposits	-	8,800
Prepayments	34,943	45,645
Other debtors	-	5,500
	34,943	59,945

These financial assets are measured at amortised cost.

(a) Fair value

The fair value of other assets is equal to their carrying value.

9 Trade and other payables

	31 December 2014 $	30 June 2014 $
Payables and accrued expenses	**224,038**	145,341

These financial liabilities are measured at amortised cost.

(a) Fair value

The fair value of trade and other payables is equal to their carrying value.

10 Capital and reserves

Share capital	31 December 2014	30 June 2014
Ordinary shares on issue	**65,955,515**	65,955,515

(a) Ordinary shares

Effective 1 July 1998, the Company Law Review Act abolished the concept of par value shares and the concept of authorised capital. Accordingly, the Company does not have authorised capital or par value in respect of its issued shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

(b) Dividend reinvestment plan

The Company had established a Dividend Reinvestment Plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash.

The Directors have determined that the Company's Dividend Reinvestment Plan is suspended until further notice. The dividend reinvestment plan did not apply to the 2010 final dividend paid on 15 October 2010.

(c) Reserves

Profits reserve
The profits reserve represents profits transferred to a reserve to retain the characteristic of profit and not be appropriated against prior year accumulated losses. Any such profits are available to enable payment of franked dividends in the future.

(d) Dividends

On 31 July 2014 a fully franked dividend of 4.245 cents per share was paid. After payment of this dividend the franking account balance is $3,288,808.

A dividend has been paid from the profits reserve during the half year ended 31 December 2014 and fully franked.

11 Other related party transactions

(a) Key management personnel compensation

Mr Russell Templeton, the Managing Director and CEO, had his contract terminated effective 31 December 2013 as noted in the previous Annual Report. The Company has secured the services of Mr Templeton on an outsourced arrangement to a business controlled by Mr Templeton to assist with the rundown of the loan books. Mr Templeton's fixed fee contract of $5,500 is continuing on a month to month basis. In addition to the fixed fee contract, Mr Russell Templeton has been for additional services provided outside the scope of the original consulting agreement. These services were billed on normal market rates for such services and were due and payable under normal terms.

(b) Other transactions with key management personnel or entities related to them

There have been no significant changes to the nature and amounts of related party transactions disclosed at 30 June 2014.

12 Contingencies

The directors of the Company are not aware of any material contingent liabilities that exist in respect of either the Company or any of its controlled entities.

13 Fair value measurement of financial instruments

A number of new standards, amendment to standards and interpretations are effective for periods beginning after 1 July 2013. None of these new standards have had significant impact on these interim financial statements. In particular, the directors have considered the following standards in making this determination:

- AASB 134 Interim Financial Reporting which prescribes the content and the principles for recognition and measurement for an interim reporting period.
- AASB 13 Fair Value Measurement which provides a common framework for fair value measurements required by other standards.

14 Events occurring after the balance sheet date

There have been no other events subsequent to balance date which would have a material effect on the Group's financial statements at 31 December 2014.

In the directors' opinion:

(a) the financial statements and notes, set out on pages 7 to 16, are in accordance with the *Corporations Act 2001,* including:

  (i) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance, for the half-year ended on that date; and

  (ii) complying with Australian Accounting Standards AASB 134 Interim Financial Reporting, and the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the Managing Director as required by section 295A of the *Corporations Act 2001.*

This declaration is made in accordance with a resolution of the directors.

Kenneth R Rich
Director

Brisbane
26 February 2015

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Independent Auditor's Review Report
To the Members of Ask Funding Limited

We have reviewed the accompanying half-year financial report of Ask Funding Limited ("Company"), which comprises the consolidated financial statements being the interim consolidated statement of financial position as at 31 December 2014, and the interim consolidated statement of profit or loss, the interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The Directors of Ask Funding Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Ask Funding Limited consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Ask Funding Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ask Funding Limited is not in accordance with the Corporations Act 2001, including:

a giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Material uncertainty regarding basis of preparation and carrying value of assets

Without modifying our opinion, we draw attention to note 2(i) to the interim financial statements which indicates that the financial report of the Group for the half year ended 31 December 2014 has not been prepared on a going concern basis and has been prepared on a realisation basis whereby the Group will realise its assets and settle its liabilities over the period. The directors of the company have indicated that the recoverability of the Group's loans receivable is dependent upon realising these loans from the sale and /or settlement of litigations occurring within the time frame and at values used in assessing the recoverable amount of loans receivable as at 31 December 2014.

Given the uncertainties involved in assessing asset carrying values on a realisation basis, it is likely that there may be differences between the amounts at which the assets are recorded in the financial report at 31 December 2014 and the amounts that are actually realised and such differences may be material.

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GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A F Newman
Partner - Audit & Assurance
Brisbane, 26 February 2015