Ask Funding Limited
ABN 22 094 503 385
ASX Half-year information - 31 December 2015

Lodged with the ASX under Listing Rule 4.2A.
This information should be read in conjunction with the
30 June 2015 Annual Report

Contents

Ask Funding Limited
For The half-year ended 31 December 2015
(Previous corresponding period: half-year ended 31 December 2014)

Results for announcement to the market
31 December 2015

		%		$000's
Revenue from ordinary activities (net interest, fee and other income) *(Appendix 4D item 2.1)*	down	36	to	844
Profit / (loss) from ordinary activities after tax attributable to members *(Appendix 4D item 2.2)*	down	153	to	(647)
Net profit / (loss) for the period attributable to members *(Appendix 4D item 2.3)*	down	153	to	(647)

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

Key Ratios	**2015 Cents**	**2014 Cents**
Basic earnings per share	(0.98)	(0.39)
Net tangible assets per share	7.5	8.9

Refer to the attached 'Interim Financial Report for the period ended 31 December 2015 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 2015.

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. Resigned 15 September 2015.

Mr Russell E Templeton LLB

Chief Executive Officer since 16 November 2004. Resigned as Chief Executive Officer 31 December 2013.

Company Secretary since 1 July 2012. Resigned as Company Secretary 17 September 2015.

Managing Director since 16 November 2004. Resigned as Managing Director 31 May 2015.

Director since 1 June 2015.

Mr Misha A Collins CFA

Independent Non-Executive Director since 11 October 2010. Resigned 15 September 2015.

Mr Gabriel Radzyminski

Independent Non-Executive Director since 15 September 2015.

Mr James Chirnside

Independent Non-Executive Director since 15 September 2015.

Mr Mark Licciardo

Company Secretary since 17 September 2015.

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 2015 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 23% to $8.2 million from $10.6 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 21% to $4.0 million from $5.0 million at the end of the previous year.

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

	31 December 2015	30 June 2015	30 June 2014
Disbursement Funding	7%	9%	25%
Personal Injury	28%	26%	28%
Matrimonial	59%	60%	45%
Inheritance Funding	6%	5%	1%

Review of operations (continued)
Impairment of loans and advances (continued)

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.

Impairment of loans and advances

Impairment and recovery costs of $1.16 million incurred during the period represent a decrease of 4% from the previous corresponding period of $1.21 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.

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 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.

In the notes to the Financial Statements forming part of the Company's FY15 Annual Report (pages 8 and 9) reference was made to a Single Matrimonial Loan in Western Australia (security held Mortgage, Caveat and Guarantees from borrower and related parties) with a net carrying value at 30 June 2015 of $2.0 million.

On 14 May 2015 the Company settled a legal dispute with the borrower of this Single Matrimonial Loan and two guarantors on the following basis:

- That the borrower and the guarantors agreed to pay to the Company the sum of $2.0 million on or before 15 January 2016;
- That in the event that this sum was not paid the borrower and the guarantors consented to judgment being entered against them in favour of the Company for $2.5 million; and
- The security granted in favour of the Company by the borrower and the guarantors remain in place

The borrower and guarantors failed to pay the sum of $2.0 million to the Company on or before 15th January 2016.

As a result of the $2.0 million not having been paid on or before 15th January 2016 the Company has now entered judgment against the borrower and the guarantors in the Supreme Court of Western Australia for the sum of $2.5 million. The Company is currently exploring the avenues available to it to satisfy this judgment.

The net carrying value of this loan as at 30 June 2015 was $2.0 million and this figure remains the current net carrying value.

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.

Review of operations (continued)
(Outlook continued)

To date the company has returned $5.00 million to shareholders by way of franked dividends or return of capital. However, the current size of the net loan book ($3.99 million) 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.

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. In the event that the Board concludes that the Company is no longer operationally viable, it will seek the removal of the Company from the official list of the Australian Stock Exchange.

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 2015 $000	31 December 2014 $000
Revenue (net interest and fee income)	**844**	1,315
Expenses, excluding impairment and loan recovery expenses	**(329)**	(364)
Impairment of loans and advances	**(1,003)**	(881)
Loan recovery expenses	**(159)**	(326)
Profit / (loss) before income tax	**(647)**	(256)
Income tax expense	**-**	-
Net profit / (loss) attributable to members	**(647)**	(256)

The net loss for the period is $0.64 million in comparison to the net loss of $0.25 million for the previous corresponding period. Loss per share is 0.98 cents.

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

Profit from operations

Gross interest earnings have decreased by 36% to $0.8 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 10% to $0.32 million from $0.36 million in the previous corresponding period reflecting the continued reduction in the size of operations.

The impairment of loans and advances expense has increased to $1.00 million from $0.88 million in the previous corresponding period.

Financial position

Consolidated net assets have decreased by 12% since 30 June 2015 to a total of $4.95 million. Net tangible assets are 7.5 cents per share.

At 31 December 2015 the Company's liabilities include trade payables of $0.06 million. The Directors are satisfied that the Company will have sufficient cash resources to settle its liabilities as and when they fall due.

Review of financial performance and position (continued)

Cashflows

Consolidated cash inflows from operations for the period ended 31 December 2015 have decreased to $0.90 million compared to $1.28 million in the previous corresponding period. The significant decrease in interest and supplier payments has been partially offset by the decrease in interest and fees received.

The cash inflow from investing activities for the period of $0.32 million has decreased compared to $1.1 million in the previous corresponding period reflecting the closure of all loan books.

The net cash outflows from both operations and investing activities was $0.07 million. The Board will continue to review the Company's operating costs with a view to effecting further savings however with the exception of legal recovery costs which are expected to continue to decline, the Board considers that it will be difficult to achieve further material reductions in the Company's cost base whilst the Company remains listed on the Australian Stock Exchange.

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.

Russell Templeton
Director

Brisbane, 25 February 2016

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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 2015, 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, 25 February 2016

	Notes	**31 December 2015 $**	31 December 2014 $
Interest income		**812,385**	1,201,315
Interest expense		**-**	-
Net interest income		**812,385**	1,201,315
Fee Income		**31,725**	101,168
Other Income		**-**	13,000
Expenses			
Employee benefits expense		**-**	-
Impairment of loans and advances	7	**(1,003,196)**	(880,837)
Loan recovery expenses		**(158,569)**	(325,636)
IT expenses		**(13,319)**	(27,531)
General and administrative expenses		**(315,943)**	(337,286)
Loss before income tax		**(646,917)**	(255,807)
Income tax expense		**-**	-
Loss for the year		**(646,917)**	(255,807)
Loss per share		**Cents**	Cents
Basic loss per share	6	**(0.98)**	(0.39)
Diluted loss per share	6	**(0.98)**	(0.39)

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

	Notes	31 December 2015 $	31 December 2014 $
Loss for the period		**(646,917)**	(255,807)
Total comprehensive loss for the period		**(646,917)**	(255,807)

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 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**

Consolidated	Contributed equity	Profits reserve	Retained earnings / (loss)	Total equity
	$	$	$	$
Balance at 1 July 2015	**17,295,845**	**30,065**	**(11,724,683)**	**5,601,227**
Profit / (loss)	-	-	(646,917)	(646,917)
Total comprehensive income for the half-year	**-**	**-**	**(646,917)**	**(646,917)**
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 2015	**17,295,845**	**30,065**	**(12,371,600)**	**4,954,310**

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

	Notes	31 December 2015 $	30 June 2015 $
ASSETS			
Cash and cash equivalents		**902,005**	655,821
Net loans and advances	7	**3,993,025**	5,044,318
Other assets	8	**118,185**	9,899
Total assets		**5,013,215**	5,710,038
LIABILITIES			
Trade and other payables	9	**58,905**	108,811
Total liabilities		**58,905**	108,811
Net assets		**4,954,310**	5,601,227
EQUITY			
Contributed equity		**17,295,845**	17,295,845
Reserves		**30,065**	30,065
Retained losses		**(12,371,600)**	(11,474,683)
Total equity		**4,954,310**	5,601,227

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

	Notes	31 December 2015 $	31 December 2014 $
Cash flows from operating activities			
Interest and fees received		**572,687**	1,903,352
Receipts from customers		**-**	25,300
Interest paid		**-**	-
Payments to suppliers and employees		**(645,377)**	(645,683)
Net cash inflow from operating activities		**(72,690)**	1,282,969
Cash flows from investing activities			
Loans repaid by clients		**318,874**	1,109,314
Net cash inflow from investing activities		**318,874**	1,109,314
Cash flows from financing activities			
Dividends paid		**-**	(2,799,812)
Return of capital		**-**	(1,299,983)
Repayment of borrowings		**-**	-
Net cash from financing activities		**-**	(4,099,795)
Net increase / (decrease) in cash and cash equivalents		**246,184**	(1,707,512)
Cash and cash equivalents at 1 July		**655,821**	2,062,493
Cash and cash equivalents at end of the half-year		**902,005**	354,981

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 annual financial statements of the Group as at and for the year ended 30 June 2015 is available upon request from the Company's registered office at Level 11, 139 Macquarie Street, Sydney NSW 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 2015 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 25 February 2016.

The interim financial statements for the half-year ended 31 December 2015 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 entailed:

- 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 2015.

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 2015 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 2015.

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 the Board and 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 2015.

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 2015.

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 2015 cents	31 December 2014 Cents
(a) Basic loss per share		
Basic loss per share for the period	**(0.98)**	(0.39)
Loss attributable to the ordinary equity holders of the Company	**(0.98)**	(0.39)
(b) Diluted loss per share		
Diluted loss per share from continuing operations	**(0.98)**	(0.39)
Loss attributable to the ordinary equity holders of the Company	**(0.98)**	(0.39)

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

	31 December 2015 cents	31 December 2014 cents
Basic loss per share		
Loss for the period	**(646,917)**	(255,807)

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

	31 December 2015 cents	31 December 2014 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 2015 $	30 June 2015 $
Net loans and advances		
Family Law	5,329,844	5,516,678
Disbursement Funding	349,931	624,977
Personal Injury	2,543,343	2,329,420
Other	-	375,399
Provision for impairment	(4,230,093)	(3,802,156)
Total	3,993,025	5,044,318

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 2015 $	30 June 2015 $
Specific provision		
Opening balance	3,802,156	4,953,222
Charge to operating profit	1,003,197	1,924,483
Write-offs	(575,260)	(3,075,549)
Closing balance	4,230,093	3,802,156
Collective provision		
Opening balance	-	233,218
Charge to operating profit	-	(233,218)
Write-offs	-	-
Closing balance	-	-
Closing Balance	4,230,093	3,802,156

(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 2015 $	30 June 2015 $
Deposits	-	-
Prepayments	111,244	4,477
Accrued Income	1,469	716
Other debtors	5,472	4,706
	118,185	9,899

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 2015 $	30 June 2015 $
Payables and accrued expenses	58,905	108,811

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

	31 December 2015	30 June 2015
Share capital		
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

No dividends have been paid since 31 July 2014.

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 paid 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 2015.

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 2015.

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 2015 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.

Russell Templeton
Director

Brisbane
25 February 2016

Grant Thornton

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INDEPENDENT AUDITOR'S REVIEW REPORT
To the Members of Ask Funding Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Ask Funding Limited ("Group"), which comprises the interim statement of financial position as at 31 December 2015, the interim statement of profit or loss, the interim statement of comprehensive income, the interim statement of changes in equity and the interim statement of cash flows for the half-year ended on that date, a statement or description of accounting policies, other selected explanatory notes, and the declaration of those charged with governance.

Directors' responsibility for the half-year financial report

The Directors of the Group are responsible for the preparation and fair presentation of the half-year financial report in accordance with the with Australian Accounting Standards and the Corporations Act 2001, and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation 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 half-year financial report based on our review. We conducted our review in accordance with 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, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, in accordance with the Corporations Act 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.

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 have complied with the independence requirements of the Australian professional accounting bodies and the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of Ask Funding Limited does not present fairly, in all material respects the financial position of the Group as at 31 December 2015, and of its financial performance and its cash flows for the half-year ended on that date, in accordance with the Corporations Act 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 2015 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 Group have indicated that the recoverability of the Group's loans receivable is dependent upon realising these loans for 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 2015.

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 2015 and the amounts that are actually realised and such differences may be material.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A F Newman
Partner - Audit & Assurance

Brisbane, 25 February 2016