

ENTELLECT LIMITED
(ASX: ESN)

31 July 2013

ASX and Media Release

Appendix 4C for the June 2013 quarter

Entellect Limited (**Entellect** or the **Company**) releases its Appendix 4C for the quarter ending 30 June 2013.

During the quarter ending 30 June, the Company undertook additional market development activities at a cost of \$98,000 in preparation of the previously announced launch of the KNeoWORLD sales initiative to the USA Parent Teacher Associations (**PTA**) nationally.

The PTA sales initiative will begin on 15 August 2013 to coincide with the commencement of the USA new scholastic year. Market development costs included database management systems, PTA registration processes and sales collateral design and development.

The Company also invested further in the June 2013 quarter (compared to the March 2013 quarter) in contract software developers engaged to finalise development of the KNeoWORLD Games Portal updated design, navigation, interactivity and database integration ahead of the August 2013 launch.

As previously announced to the market, the Company raised \$500,000 during the quarter in expectation of the increased market and product development costs and in addition has received share placement applications totalling \$220,000 from sophisticated investors.

The Board considers the current funding available to the Company sufficient to meet its PTA sales and revenue objectives and will continue to review funding requirements and advise the market accordingly.

-End

For further information, please contact:

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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

Entellec Limited

ABN

41 009 221 783

Quarter ended ("current quarter")

30 June 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	11	26
1.2 Payments for (a)staff costs	(185)	(909)
(b)marketing development	(98)	(98)
(c)research and development	-	-
(d)leased assets	-	-
(e)other working capital	(178)	(665)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	2
1.5 Interest and other costs of finance paid	(29)	(68)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(478)	(1,712)

+ See chapter 19 for defined terms.

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	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(478)	(1,712)
Cash flows related to investing activities		
1.9 Payment for acquisition of:	-	-
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	(3)
(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	-	(3)
1.14 Total operating and investing cash flows	(478)	(1,715)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	125	585
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	524	991
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Capital raising cost	(75)	(123)
Net financing cash flows	574	1,453
Net increase (decrease) in cash held	96	(262)
1.21 Cash at beginning of quarter/year to date	28	420
1.22 Exchange rate adjustments to item 1.20	(7)	(41)
1.23 Cash at end of quarter	117	117

+ 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 quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	42
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

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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

-

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	Private equity placement commitments	220	-

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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	117	28
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	117	28

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	-	-

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.



 Chief Executive Officer
 James Kellett
 31 July 2013

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Notes

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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