



25 January 2012

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

APPENDIX 4C – QUARTERLY CASH FLOW STATEMENT

Please find attached the Appendix 4C “Quarterly Report” for Adept Solutions Limited (ASX Code: AAO) for the quarter and half-year ended 31 December 2011.

The following are additional explanatory notes to be read in conjunction with the Report.

Cash outflows for the December quarter were significantly improved on the prior quarter as the prior quarter included the one-off effects of the Emerchants acquisition and the establishment of dual data centres for the Emerchants operations. The December quarter did however still include the remaining impact of necessary capital expenditures relating to the relocation of operations within Brisbane.

As most of the capital expenditure has now been incurred and the acquisition of Emerchants has been completed, cash outflows in the preceding quarters are expected to improve and comprise predominantly the operational activities with no significant outflows from investing or financing activities.

It is anticipated that the cash outflows from operational activities will continue to improve, reflecting the strong growth results in key performance indicators associated with Emerchants as reported in the ASX release titled “Emerchants Accelerated Growth” dated 9 January 2012. Furthermore, it is expected that the results from investing activities will be cash flow positive in the next quarter due to the sale of the Northern Territory mining tenements as reported in the ASX release dated 1 November 2011.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Bob Browning', is written over a light blue horizontal line.

Bob Browning
Managing Director
ADEPT SOLUTIONS LIMITED

Appendix 4C

Quarterly report for entities admitted on the basis of commitments (Parent Company and Exploration-related Subsidiaries)

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

(Internal document only)

Name of entity

Adept Solutions Limited

ABN

93 104 757 904

Quarter ended ("current quarter")

31 December 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	638	1,199
1.2 Payments for:		
(a) staff costs	(1,017)	(2,257)
(b) advertising and marketing	(42)	(92)
(c) research and development	-	-
(d) leased assets	(3)	(6)
(e) other working capital	(788)	(1,423)
(f) accounting and administrative services	-	(395)
(g) acquisition-related expenses	-	(723)
(h) exploration expenditure	(21)	(44)
(i) software and systems infrastructure	(126)	(314)
(j) risk and compliance	(90)	(201)
(k) rent and utilities	(158)	(238)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	219	427
1.5 Interest and other costs of finance paid	(3)	(3)
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net operating cash flows	(1,392)	(4,071)

+ See chapter 19 for defined terms.

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

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,392)	(4,071)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	(805)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets *	(523)	(1,010)
(e) other non-current assets (deposits) **	53	(410)
(f) cash included on consolidation of subsidiary	-	305
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	-	-
Net investing cash flows	(470)	(1,920)
1.14 Total operating and investing cash flows	(1,863)	(5,992)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	135
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other – Share Issue costs	-	(3)
Net financing cash flows	-	132
Net increase (decrease) in cash held	(1,863)	(5,860)
1.21 Cash at beginning of quarter/year to date	6,321	10,318
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	4,458	4,458

* Physical non-current assets relates capital expenditure incurred in migrating Emerchants to larger office premises to accommodate the expansion of the business and two separate third party data centres (Melbourne & Brisbane), from Emerchants single office premises in Brisbane. The decision to migrate to remote data centres was made to enable EMerchants to provide higher levels of risk mitigation, service uptime and capacity to align to the increase in transaction volumes currently experienced and projected to be experienced in the future. There is not expected to be significant cash outflow around Capex for the remainder of the financial year.

** expenditure for other current assets (deposits) relates to two deposits we have placed for a new Emerchants office premises lease in Brisbane and a deposit that was paid to Emerchants settlement bank for security over the settlement service provided to Emerchants. This money is placed in a term deposit with interest accruing to Emerchants.

+ 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	305
1.25	Aggregate amount of loans to the parties included in item 1.11	Nil

1.26 Explanation necessary for an understanding of the transactions

Payments to Executive Directors, Non-Executive Directors and Associates of the directors is broken down as follows:

\$000's

Directors fees	66
Salary – Executive Directors	223
Superannuation	16
<u>Associates of the directors</u>	<u>-</u>
Total	305

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

In addition to cash consideration of \$2,468,998 (of which \$1,664,124 was paid 30 June 2011) for the acquisition of all of the issued capital of Emerchants Limited, the Company was required to issue to the vendors the Initial Consideration Shares being 11,500,000 fully paid ordinary post-consolidation shares of the Company, priced at 85c per share. These shares were duly issued on 8 July 2011.

At the Extraordinary General Meeting held on 29 June 2011, shareholders approved, inter alia, the issue to Directors of 4,600,000 options to take up fully paid ordinary post-consolidation shares of the Company at \$1.45 each by 18 July 2014. These options were issued on 8 July 2011. The fair value of these equity-settled options was estimated at the date of grant using the Black and Scholes model to be a total of \$1,124,240. That amount is scheduled to be expensed over the 2012, 2013 and 2014 financial years.

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

+ See chapter 19 for defined terms.

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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	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

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	425	322
4.2 Deposits at call	4,033	5,999
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	4,458	6,321

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i> N/A
5.1 Name of entity	Emerchants Limited	N/A
5.2 Place of incorporation or registration	Victoria	N/A
5.3 Consideration for acquisition or disposal	See Item 2.1	N/A
5.4 Total net assets	\$107,696	N/A
5.5 Nature of business	Development and provision of payment systems with a core product of host-based prepaid cards and custom stored value products	N/A

+ 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 give a true and fair view of the matters disclosed.

Sign here:



Director

Date: 25 January 2012

Print name: Bob Browning

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.