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# MONEY3 CORPORATION LIMITED

(ABN 63 117 296 143)

## HALF YEAR FINANCIAL REPORT

31 December 2009

Registered Office:

Level 1, 48 High St.  
Northcote VIC 3070

Head Office:

Unit 4, 60-70 Mahoneys Rd  
Thomastown VIC 3074

## APPENDIX 4D

## Half Year Report to the Australian Stock Exchange

Name of Entity	Money3 Corporation Limited
ABN	63 117 296 143
Half Year Ended	31 December 2009
Previous Corresponding Reporting Period	31 December 2008

## Results for Announcement to the Market

	\$	Percentage increase / (decrease) over previous corresponding period
Revenue from ordinary activities	5,266,217	11.8%
Profit from ordinary activities after tax attributable to members	1,112,471	9.2%
Net profit for the period attributable to members	1,112,471	9.2%
<b>Dividends (distributions)</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
Final Dividend	1.8 cents (paid on 27/11/09)	1.8 cents
Interim Dividend	1.6 cents	1.6 cents
Record date for determining entitlements to the dividends (if any)	26 Mar 2010	
<b>Brief explanation of any of the figures reported above necessary to enable the figures to be understood:</b>  For an explanation of revenue and profit from continuing operations, see Financial Review and Review of Operations in the Directors Report included in the accompanying half year report.		

**Dividends**

Date the dividend is payable	30 April 2010
Record date to determine entitlement to the dividend	26 Mar 2010
Amount per security	1.6 cents
Total dividend	\$503,191
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	Yes
The last date for receipt of an election notice for participation in any dividend reinvestment plans	9 April 2010

**NTA Backing**

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security (cents per share)	30.1	29.1

**Control Gained Over Entities Having Material Effect**

Name of entity (or group of entities)	N/A
Date control gained	N/A
Profit / (loss) from ordinary activities after tax of the controlled entity since the date in the current period on which control was acquired.	N/A
Profit / (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period.	N/A

**Loss of Control Gained Over Entities Having Material Effect**

Name of entity (or group of entities)	N/A
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**Details of Associates and Joint Venture Entities**

Name of Entity (or group of entities)	N/A
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**Foreign Entities Accounting Framework**


For foreign entities provide details of which accounting standards have been adopted (e.g. International Accounting Standards)  N/A
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**Audit/Review Status**

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification: N/A			

**Attachments Forming Part of Appendix 4D**

Attachment #	Details
1	Half Year Financial Report
2	Audit Review Report

Signed By (Director/Company Secretary)	
Print Name	Kang Hong Tan
Date	25 February 2010

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**DIRECTORS' REPORT**

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Your Directors present their report on the Consolidated Entity consisting of Money3 Corporation Limited and the entities it controlled at the end of the half year ended 31 December 2009.

**Directors**

The following persons were directors of Money3 Corporation Limited during or since the end of the half year are:

Bettina Evert BA LLB MAICD - Chairman and Non-Executive Director  
Robert James Bryant - Chief Executive Officer and Executive Director  
Kang Hong Tan ACA (UK) PNA (Aust) - Chief Financial Officer and Executive Director  
Christopher James Baldwin CPA - Company Secretary and Non-Executive Director  
Scott Joseph Baldwin MBA - Chief Operation Officer and Executive Director

None of the Company's Directors hold directorships in other listed companies.

**Principal Activities**

The principal activities of the consolidated entity during the year were providing financial services specialising in the delivery of small cash loans, personal loans, cheque cashing and international money transfer. There has been no significant change in nature of principal activities during the financial period.

**Financial Review**

Money3's revenue for the half year ended 31 December 2009 was \$5,267,014 an 11.8% increase on the previous corresponding half year's revenue of \$4,719,101. EBITDA for the half year was a profit of \$1,723,238 compared to a \$1,708,056 in the previous half.

Money3's net profit after tax for the half year ended 31 December 2009 was \$1,112,471 compared to the previous corresponding half year's profit of \$1,018,431.

Basic earnings per share amounted to 3.56 cents per share compared to the previous half of 3.61 cents per share. A dividend of 1.6 cents per share has been declared which compares to 1.5 cents per share in the previous half.

**Review of operations**

Trading conditions have been solid and it is pleasing to note that cash advanced was \$16.9 million for the half year ended 31 December 2009 compared to \$15.1million in the previous corresponding period. Cash advanced is a key metric in assessing the growth of the business. During the period bad debts expense as a percentage of cash advanced was 3.4% compared to 3.7% in the previous corresponding period. The number of loan transactions increased to 26,304 and average value per loan transaction reduced by 4.3% as a result of good sales and prudent lending.

During the period the company centralised Loan Centre, Debt Recovery and Accounts in the new head office at Thomastown. The results reflect the impact of better lending practices, improved collection process and visibility from centralised administration at Head Office.

**Outlook**

Money3 is positive about the outlook for the second half of the 2010 financial year and our balance sheet remains strong.

**DIRECTORS' REPORT**

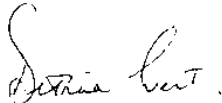
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**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 7.

Signed in accordance with a resolution of directors made pursuant to s306(3) of the Corporations Act 2001.

On behalf of the directors,



Bettina Evert  
Chairman



Robert Bryant  
CEO and Executive Director

Melbourne  
25 February 2009

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of Money3 Corporation Limited for the half-year ended 31 December 2009, 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.

This declaration is in respect of Money3 Corporation Limited and the entities it controlled during the year.



**D J Garvey**  
**Partner**  
**PKF**

25 February 2010  
Melbourne

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

		For the six months ended 31 December 2009	For the six months ended 31 December 2008
		\$	\$
<b>Revenue from loan fees</b>	Note 1(a)	5,266,217	4,711,590
Other income		797	7,511
<b>Total revenue</b>		5,267,014	4,719,101
<b>Expenses from operating activities:</b>			
General and administration		396,447	351,292
Employment		1,877,982	1,453,099
Advertising and sales		106,360	274,934
Occupancy costs		470,753	288,271
Bad debts	Note 1(a)	570,911	556,345
Other expenses		121,323	87,104
Depreciation and amortisation		115,958	191,536
Interest expenses		40,316	61,619
<b>Profit/(Loss) before income tax expense</b>		1,566,964	1,454,901
Income tax expense		454,493	436,470
<b>Net profit/(loss) after tax</b>		1,112,471	1,018,431
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the period</b>		1,112,471	1,018,431
<b>Earnings per share (cents per share)</b>			
Basic profit/(loss) from continuing operations		3.56 cents	3.61 cents
Diluted profit/(loss) from continuing operations		3.56 cents	3.61 cents

The consolidated statement of comprehensive income should be read in conjunction with the attached notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2009**

	31 December 2009 \$	30 June 2009 \$
<b>Current assets</b>		
Cash and cash equivalents	1,429,215	1,175,708
Trade and other receivables	8,352,151	7,183,508
Other assets	39,870	4,088
<b>Total current assets</b>	<u>9,821,236</u>	<u>8,363,304</u>
<b>Non-current assets</b>		
Trade and other receivables	995,136	878,303
Other	119,537	79,089
Property, plant & equipment	994,643	1,030,756
Intangibles	15,323,487	15,323,487
Deferred tax assets	178,975	178,973
<b>Total non-current assets</b>	<u>17,611,778</u>	<u>17,490,608</u>
<b>Total assets</b>	<u>27,433,014</u>	<u>25,853,912</u>
<b>Current Liabilities</b>		
Trade and other payables	795,983	568,923
Borrowings	1,168,513	608,513
Current tax payables	308,333	246,957
Provisions	248,115	225,235
<b>Total current liabilities</b>	<u>2,520,944</u>	<u>1,649,628</u>
<b>Non-current liabilities</b>		
Provisions	53,673	52,463
Borrowings	57,332	62,244
<b>Total non-current liabilities</b>	<u>111,005</u>	<u>114,707</u>
<b>Total current liabilities</b>	<u>2,631,949</u>	<u>1,764,335</u>
<b>Net assets</b>	<u>24,801,065</u>	<u>24,089,577</u>
<b>Equity</b>		
Issued Capital	22,625,570	22,516,008
Share Option Reserve	500,000	449,069
Accumulated profit/(losses)	1,675,495	1,124,500
<b>Total equity</b>	<u>24,801,065</u>	<u>24,089,577</u>

The consolidated statement of financial position should be read in conjunction with the attached notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	Issued capital	Retained earnings	Reserves	Total equity
	\$	\$	\$	\$
Opening Balance at 1 July 2009	22,516,008	1,124,501	449,069	24,089,578
Profit for the period	-	1,112,471	-	1,112,471
Other comprehensive income	-	-	-	-
	22,516,008	2,236,972	449,069	25,202,049
Transaction with shareholders in their capacity as shareholders:				
Issue of shares - DRP	109,562	-	-	109,562
Increase in equity compensation reserve	-	-	50,931	50,931
Transfer to deferred tax asset	-	-	-	-
Dividend paid	-	(561,477)	-	(561,477)
<b>Closing balance at 31 December 2009</b>	<b>22,625,570</b>	<b>1,675,495</b>	<b>500,000</b>	<b>24,801,065</b>
Opening Balance at 1 July 2008	21,144,955	1,379,947	282,402	22,807,304
Profit for the period	-	1,018,431	-	1,018,431
Other comprehensive income	-	-	-	-
	21,144,955	2,398,378	282,402	23,825,735
Transaction with shareholders in their capacity as shareholders:				
Issue of shares - Placement	900,000	-	-	900,000
Issue of shares - DRP	235,557	-	-	235,557
Transfer to deferred tax assets	-	28,133	-	28,133
Increase in equity compensation reserve	-	-	83,333	83,333
Dividend paid	-	(830,306)	-	(830,306)
Closing balance at 31 December 2008	22,280,512	1,596,205	365,735	24,242,452

The consolidated statement of changes in equity should be read in conjunction with the attached notes.

**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	<b>For the six months ended 31 December 2009</b>	For the six months ended 31 December 2008
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	4,695,306	4,155,245
Payments to suppliers and employees	(2,706,568)	(2,489,220)
Interest received	797	7,511
Interest paid	(40,316)	(61,619)
Tax paid	(393,117)	(537,645)
	<u>1,556,102</u>	<u>1,074,272</u>
<i>(Increase) decrease in operating assets:</i>		
Net funds advanced (to)/from customers for loans	(1,325,923)	316,636
<b>Net cash used in operating activities</b>	<u>230,179</u>	<u>1,390,908</u>
<b>Cash flows from investing activities</b>		
Payment for property, plant and equipment	(79,845)	(124,953)
<b>Net cash used in investing activities</b>	<u>(79,845)</u>	<u>(124,953)</u>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	-	900,000
Proceeds from borrowings	560,000	100,000
Repayment of borrowings	-	(400,000)
Dividend paid	(451,915)	(594,748)
Repayment of HP	(4,912)	(4,912)
<b>Net cash provided by financing activities</b>	<u>103,173</u>	<u>340</u>
<b>Net (decrease)/increase in cash held</b>	253,507	1,266,295
<b>Cash at the beginning of the period</b>	1,175,708	591,200
<b>Cash at the end of the period</b>	<u>1,429,215</u>	<u>1,857,495</u>

The consolidated cash flow statement should be read in conjunction with the attached notes.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

**INTRODUCTION**

The financial report of Money3 Corporation Limited ("Money3") for the half year ended 31 December 2009 was authorised for issue in accordance with a resolution of directors on 25 February 2010. Money3 is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Stock Exchange. The financial report is presented in Australian dollars. The nature of the operations and principal activities of the Group are described in Note 4.

**NOTE 1. Basis of preparation of half year report**

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and Accounting Standard AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 134 "Interim Financial Reporting".

The 31 December 2009 half year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the financial report for the year ended 30 June 2009 and considered together with any public announcements made by Money3 during the half year ended 31 December 2009, in accordance with continuous disclosure obligations of the ASX listing rules.

The Group has adopted applicable new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2009. When the adoption of the Standard or Interpretation is deemed to have an impact on the financial statements or performance of the Group, its impact is described below:

*AASB 101 Presentation of Financial Statements*

The revised Standard separates the owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity and included in the new statement of comprehensive income. The statement of comprehensive income presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present one statement.

*AASB 8 Operating Segments*

AASB 8 Operating Segments replaced AASB 114 Segment Reporting from 1 July 2009. AASB8 requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes. Operating Segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating officer. Group concluded that the operating segments determined in accordance with AASB 8 are the same as the business segments previously identified under the AASB 114.

*AASB 3 Business Combinations (revised 2008)*

AASB 3 (revised) continues to apply the acquisition method to business combinations, but with some significant changes. Changes affect the valuation of non-controlling interest (previously "minority interest"), the accounting for transaction costs, the initial recognition and subsequent measurement of contingent consideration and business combinations achieve in stages. These changes will impact the amount of goodwill recognised, the reported results in the period when an acquisition occurs and future reported results. The Group concluded that AASB 3 (revised) had no material impact on the financial statements or performance of the Group.

*AASB 2008-7 Amendments to Australian Accounting Standards – Costs of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*

The amendments delete the reference to the "cost method" making the distinction between pre and post acquisition profits no longer relevant. All dividends received are now recognised in the profit and loss rather than having to be split between a reduction in the investment and profit and loss. However the receipt of such dividends requires an entity to consider whether there is an indicator of impairment of the investment in that subsidiary. The receipt of dividends from subsidiaries during the half year ended did not impact the recoverability of the investment in the subsidiary. The adoption of these amendments did not have any impact on the financial position or the performance of the Group.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

**(a) Reclassification of Deferred Revenue****Impact on Income Statement from reclassification of Loan Fees and Bad Debts written off in the previous financial period**

In previous corresponding interim reporting period, when a debt was written off, deferred revenue from fees and charges were included in Loan fees and Bad debts expense. This treatment is inconsistent with the policy of recognising revenue on loan fees on a reducing balance basis over the loan period. The effect of this treatment in 2008 was an overstatement of \$180,075 in both Loan fees and Bad debts written off. The comparatives have been adjusted accordingly and there is no impact on profit.

	<b>Restated Consolidated 31/12/2008 \$</b>	<b>Consolidated 31/12/2008 \$</b>
Revenue from loan fees	4,711,590	4,891,665
Bad debt expense	556,345	736,420

Other than disclosed above, the accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those of the previous financial year and corresponding interim reporting period.

**NOTE 2. Dividends**

	<b>For the six months ended 31 December 2009 \$</b>	<b>For the six months ended 31 December 2008 \$</b>
(a) Dividends paid during the half year on ordinary shares: Final franked dividend for the financial year ended 30 June 2009: 1.8 cents, paid on 27 November 2009 (2009: 3 cents)	561,477	830,306
(b) Dividends proposed and not yet recognised as a liability: - Interim franked dividend for the half year ended 31 December 2009: 1.6 cents, proposed to be paid on 30 April 2010 (2008: 1.5 cents)	503,191	459,067

**NOTE 3. Issued Capital**

	<b>For the six months ended 31 December 2009</b>		<b>For the year ended 30 June 2009</b>	
	Ordinary shares	Value \$	Ordinary shares	Value \$
Balance at beginning of period	31,193,180	22,516,008	27,676,856	21,144,955
Issue of shares on DRP	256,284	109,562	933,630	361,053
Issue of shares on to sophisticated investors at \$0.39 each	-	-	2,307,694	900,000
Bonus payment to k. Miller by issue of 25,000 shares at \$0.40 each	-	-	25,000	10,000
Repaid investor loan by issue of 250,000 shares at \$0.40 each	-	-	250,000	100,000
Balance at end of period	31,449,464	22,625,570	31,193,180	22,516,008

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

**NOTE 4. Segment information**

A segment is a component of the consolidated entity that engages in business activities to provide products or services within a particular economic environment. The consolidated entity operates in one business segment, being providing financial services specialising in the delivery of small cash loans, personal loans, cheque cashing and international money transfer. The board of directors assess the operating performance of the group based on management reports that are prepared on this basis. The group has established activities in one geographical area.

**NOTE 5. Contingent liabilities**

The Company has no contingent liabilities as at 31 December 2009.

**NOTE 6. Subsequent events**

(a) On 1 February 2010 Money3 sold the leasehold of its current Bendigo premises with a view to relocating to a better location. Meanwhile the Bendigo operation has been relocated to Geelong.

(b) No significant events have occurred since balance date which would impact on the financial position of the Company.

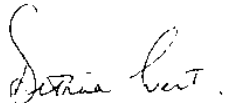
**DIRECTORS DECLARATION**

The Directors of Money3 Corporation Limited declare that they are of the opinion that:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - I. giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half year ended on that date as represented by the results of its operations, changes in equity and its cash flows, for the half year ended on that date; and
  - II. comply with Accounting Standards AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with the resolution of the directors made pursuant to Section 303(5) of the Corporations Act 2001

On behalf of the directors.



Bettina Evert  
Chair



Robert Bryant  
Executive Director

Melbourne  
25 February 2010

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**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF MONEY3 CORPORATION LIMITED**



Chartered Accountants  
& Business Advisers

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Money3 Corporation Limited, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2009 or from time to time during the half year ended on that date.

**Directors' Responsibility for the Half-Year Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**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 an Interim 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 financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2009 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 Money3 Corporation 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 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 Money3 Corporation 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 2009 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*.

PKF

**PKF**

25 February 2010  
Melbourne

**D J Garvey**  
Partner

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