

**MONEY3 CORPORATION LIMITED**

**ABN: 63 117 296 143**

**Annual Financial Report  
for the Year Ended 30 June 2009**

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### Corporate Information

Money3 Corporation Limited is a company incorporated and domiciled in Australia.

### Company Directors

Bettina Evert BA LLB MAICD	Non Executive Chairman (from 28 February 2006)
Robert James Bryant	Executive Director (from 25 November 2005)
Kang Hong Tan ACA(UK) PNA(Aust)	Executive Director (from 25 November 2005)
Christopher James Baldwin CPA	Non Executive Director (from 25 November 2005)
Scott Joseph Baldwin B.Eng(Hons) MBA	Executive Director (from 13 January 2009)

### Chief Executive Officer

Robert James Bryant (from 4 April 2008)

### Company Secretary

Christopher James Baldwin

### Head Office

Unit 4, 60-70 Mahoneys Road  
Thomastown Victoria 3074  
Telephone: (03) 9469 8200  
Facsimile: (03) 9460 8300

### Registered Office

Level 1, 48 High Street  
Northcote Victoria 3070

### Solicitors

Fetter Gdanski Lawyers  
Level 11, 555 Lonsdale Street  
Melbourne Victoria 3000

Middletons  
Level 25, Rialto South Tower  
525 Collins Street  
Melbourne Victoria 3000

### Banker

National Australia Bank  
Level 1, 381 Wyndham Street  
Shepparton Victoria 3630

### Share Registry

Link Market Services Limited  
Level 9, 333 Collins Street  
Melbourne Victoria 3000

### Auditors

PKF  
Chartered Accountants  
Level 14,  
140 William Street  
Melbourne Victoria 3000

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**CHAIRMANS REPORT**

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In a year when, in spite of the recent comments of the Reserve Bank, there has been a contraction in the consumer market, Money3 Corporation Limited has been able to produce further growth across all sectors of business.

- > There has been an increase in revenue of 20.2% from \$7.5M to \$9.0M.
- > Borrowings have been reduced from \$1.1M to \$600K on a loan book of \$8M.
- > We have established a new website which is generating loans Australia wide.
- > We have opened 7 new branches in Victoria, Tasmania and New South Wales.
- > Earnings per share are 3.51 cents.
- > An interim dividend of 1.5 cents was paid in May 2009 and the final dividend of 1.8 cents to be paid on 27 November 2009.

The future of the Company looks bright. It has established its head office in Thomastown which has centralised debt recovery, accounts department and large space for the loan centre expansion. The relocation of the debt recovery to the head office has led to a more streamlined process which the directors believe will see an increase in collections from our internal and external debt recovery division. The directors also believe that with improvements in the economic climate, improvement in our debt and improvement in the debt recovery procedures will see a reduction in write-off in the future.

In March 2009, the company launched a new website. This venture has proved to be a great success; in fact, producing far better results than expected. The number of online applications has, in fact, created a new arm of business with loans being now referred to both the branch network and the loan centre.

While the branch network has again grown this year with the establishment of new branches in Victoria, Tasmania and New South Wales, the loan centre continues to be the fastest growing segment of the company. With an increasing demand from the new website, branch and brokers, the only limitation in the loan centre is funding. The establishment of a head office has provided both oversight and room for expansion for the loan centre.

The Board has worked extremely hard over the issues of the upcoming new Federal Credit Laws which are expected to come into existence in July 2010. Although there will be some challenges in relation to the new laws, the company believes that in the long run the consumers will be better off and the industry itself will gain more respect. This will be of benefit to the Company.

I wish to thank the directors for all their hard work over this last year.

Yours sincerely



Bettina Evert  
Chairman  
30 September 2009

## Corporate Governance Statement

The Board of Directors (Board) of Money3 Corporation Limited (Money3) is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. The Company is committed to implementing the highest standards of corporate governance.

The Board supports the core principles and best practice recommendations of the ASX Corporate Governance Council. However in view of the Company's size, full adoption of the recommendations is currently not practical. The Board will continue to work towards full adoption of the recommendations in line with growth and development of the Company. The corporate governance policies of the Company and departures from the recommendations are discussed below.

In setting its standards the Company has considered the 2<sup>nd</sup> edition of the ASX Corporate Governance Principles and Recommendations (Revised Recommendations). Whilst the Company continues to develop and improve its corporate governance processes and standards, the Board is pleased to advise that Money3's practices are largely consistent with the ASX guidelines.

The Corporate Governance Statement that follows contains certain specific information and discloses the extent to which the Company has followed the guidelines during the 2009 year. Money3's Corporate Governance Statement is structured with reference to the ASX Corporate Governance Principles and Recommendations.

### ***Principle 1 Lay solid foundations for management and oversight***

Money3 has a Board Charter which establishes the functions reserved to the Board and to senior management. The Board is responsible for setting the strategic direction of the Company and for overseeing and monitoring its businesses and affairs. Directors are accountable to the shareholders for the Company's performance. The Board's overriding objective is to increase shareholder value within an appropriate framework that protects the rights and enhances the interests of all shareholders, whilst ensuring that the Company is properly managed.

The functions of the Board include:

- setting overall financial goals for the Company;
- approving strategies, objectives and plans for the Company's businesses to achieve these goals;
- ensuring that business risks are identified and approving systems and controls to manage those risks and monitor compliance;
- approving the Company's major HR policies and overseeing the development strategies for senior and high performing executives;
- approving financial plans and annual budget;
- monitoring financial results on an on-going basis;
- monitoring executive management and business performance in the implementation and achievement of strategic and business objectives;
- approving key management recommendations (such as major capital expenditure, acquisitions, divestments, restructuring and funding);
- appointing and removing the Chief Executive Officer (CEO) and ratifying the appointment and removal of executives reporting directly to the CEO (senior executives);
- reporting to shareholders on the Company's strategic direction and performance including constructive engagement in the development, execution and modification of the Company's strategies;
- overseeing the management of occupational health and safety and environmental performance;
- determining that satisfactory arrangements are in place for auditing the Company's financial affairs;
- meeting statutory and regulatory requirements and overseeing the way in which business risks and the assets of the Company are managed.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board committee, a Director, employee or other person. However, the Board acknowledges that it retains ultimate responsibility for the exercise of such powers under the *Corporations Act 2001* (Cth).

The Board has guidelines for its Directors to address potential conflicts of interest, including a requirement that they declare their interests as required by the Corporations Act and the ASX Listing Rules.

## Corporate Governance Statement (Cont'd)

### ***Principle 2 Structure the Board to add value***

The Board of Directors is structured to add long term value to Money3. The Board consists of three executive and two non-executive directors. The non-executive directors, being Ms Bettina Evert and Mr Christopher Baldwin, are regarded for corporate governance purposes as independent, notwithstanding the existence of certain relationships as listed in Box 2.1 of Principle 2 of Corporate Governance Principles and Recommendations.

Ms Bettina Evert is a director of Fetter Gdanski Pty Ltd which has in the past provided legal services to the Company and subsidiaries. Except for the IPO services, fees for each of the last three years has not exceeded \$10,000. Since listing on ASX, the Company's legal affairs are handled by Middletons.

Mr. Christopher Baldwin is a partner of Brown Baldwin which has in the past provided accounting, taxation and secretarial services to the Company and subsidiaries. Brown Baldwin continues to provide taxation and statutory secretarial services to the Group and annual fees for the 30 June 2009 financial year are \$16,886 (2008: \$19,542). Mr. Baldwin holds a significant number of securities in the Company but is not a substantial shareholder as defined in section 9 of the Corporations Act. Mr Baldwin is the uncle of Mr Scott Baldwin who is an executive director of the Company.

The Directors believe it is not practical, nor cost-effective for Money3 to have a majority of persons "independent" on the Board. The Directors also believe they are open and transparent in disclosing their plans and financial results to shareholders. They believe the AGM provide a good opportunity for shareholders to evaluate their performance. Directors are subject to re-election every three years. The Board has a policy of operating a tight structure, but appoints external parties experienced in specific sectors from time to time to provide expert advice.

### ***Principle 3 Promote ethical and responsible decision-making***

As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established certain Codes of Conduct to guide all employees, particularly Directors, the Chief Financial Officer (CFO) and other Senior Executives in respect of ethical behaviour expected by the Company. These Codes of Conduct as outlined below cover conflicts of interest, confidentiality, fair dealing, protection of assets, compliance with laws and regulations; whistle blowing, security trading and commitments to stakeholders.

The Board is committed to ensuring that the group's affairs are conducted in a judicious and ethical manner. Accordingly, the Board fully supports the spirit and letter of the law and the listing rules concerning adequate and reasonable disclosure of information relevant to the Company and its securities in line with contemporary continuous disclosure requirements.

Money3 has a formal Code of Conduct Policy, a Trading Charter in dealing in the company's securities in addition to complying with legislative and regulatory obligations, for example in regard to provision of credit and confidential information.

The Board is also mindful that trading by Directors and other employees of the Company at certain times may not be in the best interests of the above commitment. Accordingly, the Board has established and promulgated to all Directors and employees staff a Company Code of Conduct to guide those officers in their responsibilities in respect of trading in the Company's and other companies' securities. Directors and employees are prohibited from dealing in Money3 between the end of accounting periods and one week after the release of results.

The Company's Code of Conduct consists of the following principles: -

- The Company will conduct its business operations with full regard and compliance with all legal obligations.
- The Company's employees, contractors and agents:
  - will strive to the utmost of their abilities to deliver quality services to meet our customers' needs and treat our customers with respect, courtesy and a caring attitude toward their business requirements;
  - will present themselves in a fit and tidy condition for work and be fully equipped to perform their work safely and competently;
  - will, when working for customers, adhere to all workplace and occupational health and safety requirements, work instructions and directives and will refrain from any irresponsible, negligent or unsafe actions or work;
  - are expected to work in a supportive and cooperative manner, and the Company will not condone any form of harassment of fellow workers. All cases of harassment will be promptly resolved through counselling and conciliation processes; and
  - will not knowingly reveal confidential information, trade secrets or information concerning intellectual property or practices, which could be injurious to our customers or our own business interests.
- The Company encourages the reporting of unlawful/unethical behaviour by its directors, employees, contractors and agents and will actively promote ethical behaviour and protection for those who report violations in good faith.
- The Company encourages individuals to join appropriate organisations and associations that can effectively represent their work interests.
- The Company will communicate the code of conduct to all its employees, contractors and agents.

## Corporate Governance Statement (Cont'd)

### ***Principle 4 Safeguard integrity in financial reporting***

The Board has in place an Audit Committee which comprises a non-executive Director (Mr Christopher Baldwin) as Chairman and Ms Bettina Evert as the other non-executive Director.

The primary role of the Audit Committee is to monitor and review the effectiveness of the Company's control environment in the areas of operational risk, legal/regulatory compliance and financial reporting. It will advise and assist the Board to discharge its responsibility to exercise due care, diligence and skill in relation to:

- reporting of financial information to users of financial reports, in particular the quality and reliability of such information;
- assessing the consistency of disclosures in the financial statements with other disclosures made by the Company to the financial markets, governmental and other public bodies;
- review and application of accounting policies;
- financial management;
- review of internal and external audit reports to ensure that where weaknesses in controls or procedures have been identified, appropriate and prompt remedial action is taken by management;
- evaluation of the Company's compliance and risk management structure and procedures, internal controls and ethical standards;
- review of business policies and practices;
- conduct of any investigation relating to financial matters, records or accounts, and to report those matters to the Board;
- protection of the Company's assets; and
- compliance with applicable laws, regulations, standards and best practice guidelines.

#### *Declaration of the CEO and CFO*

The CEO and CFO provide the Board with written confirmation that:

- The financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
- The statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- The Company's risk management and internal compliance and control system is operating effectively in all material respects in relations to financial reporting risks.

The Board has received the above declaration from the CEO and CFO for this year.

### ***Principle 5 Make timely and balanced disclosure***

The Board is aware of its continuous disclosure obligations in respect of material information, and embraces the principle of providing access to that information to the widest audience.

To ensure that these principles are appropriately actioned, the Board has nominated the Company Secretary as having responsibility for:

- ensuring that the Company complies with continuous disclosure requirements;
- overseeing and co-ordinating disclosure of information to ASX, analysts, brokers, shareholders, the media and the public;
- educating directors and staff on the Company's disclosure policies and procedures and raising awareness of the principles underlying continuous disclosure;
- ensuring that the Chairman and the CEO are aware of all sensitive information that may be required by the ASX Listing Rules and the law to be publicly released through the ASX before disclosing it to any person, including analysts and others outside the Company;
- ensuring that all information released through the ASX is promptly made available to its bankers and other parties to whom it has a similar reporting responsibility;
- the further dissemination of information, after it has been released through the ASX, to investors and other interested parties;
- posting such information on the Company's website immediately after the ASX confirms that it has received such announcements; and
- reviewing all briefings and discussions with media representatives, analysts and major shareholders, to check whether any price sensitive information has been inadvertently disclosed. If so, to immediately announce the information through the ASX.

## Corporate Governance Statement (Cont'd)

To safeguard against inadvertent disclosure of price sensitive information, the Board has agreed to keep to a minimum the number of directors and staff authorised to speak on the Company's behalf. In order of precedence, the following combinations of officers have authority to speak on behalf of the Company without the prior approval of the Board:

- the Chairman and/or the Managing Director, separately, then
- the Chairman and a non-executive director, jointly, then
- any 2 non-executive directors and the Managing Director, jointly (by majority), and then
- in extreme circumstances, any 2 directors, jointly.

These officers are also authorised to clarify information that the Company has released publicly through the ASX, but must avoid commenting on other price sensitive matters. All ASX announcements of a non procedural nature are approved by the Chairman before release.

The Company has determined that the Company Secretary must be made aware of any information disclosures in advance, including information to be presented at private briefings. This will minimise the risk of breaching the continuous disclosure requirements.

In accordance with the ASX Listing Rules, the Company immediately notifies the ASX of information:

- 1) Concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- 2) That would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Upon confirmation of receipt from the ASX, the Company posts all information disclosed in accordance with this policy on the Company's website in an area accessible by the public.

### ***Principle 6 Respect the rights of shareholders***

Money3 recognises the importance of effective communications with shareholders and other parties. Shareholders also have other formal and informal rights provided by the Company's constitution, regulatory bodies and proper public company behaviour. These include their entitlement to financial statements, attendance and voting at shareholder meetings. The auditor is invited to attend the AGM and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report. Shareholder meetings are conducted in an open forum with wide discussion encouraged by the Chairman.

### ***Principle 7 Recognise and manage risk***

The identification and effective management of risk, including calculated risk-taking is viewed as an essential part of the Company's approach to creating long-term shareholder value.

Money3 has an established lending policy and policies for the recognition, oversight and management of material business risks. These policies are reviewed on a regular basis for effectiveness and changing economic environment. Given the actual and potential volatility of the present global economic conditions, Money3 regards risk management as a very important issue. In this regard the Board has strengthened the Debt Recovery Department, placed greater management oversight on problem loans and in some cases engaged external professional debt collectors.

Management, through the CEO, is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control system. Management reports to the Audit and Risk Committee on the Company's key risks and the extent to which it believes these risks are being monitored at each Committee meeting. The Audit and Risk Committee review and monitor management's risk management and internal compliance and control systems.

On a continuous basis the Board has charged the Committee with responsibility that:

- clearly describe the respective roles of the Board, the Committee, Management and the internal audit function; and
- prescribe the necessary elements of an effective risk management system, namely, oversight, risk profile, risk management, compliance and control, and assessment of system effectiveness.

The CEO and CFO in providing written confirmation to the Board in accordance with the requirements of Section 295A (2) of the Corporations Act 2001 have also certified in writing. This certification is founded on a sound system of risk management and internal compliance and control, which implement the policies adopted by the Board and the Company's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects.

## Corporate Governance Statement (Cont'd)

### *Principle 8 Remunerate fairly and responsibly*

The Board is responsible for determining and reviewing compensation arrangements for the Directors themselves, the Non-Executive Chairman and the Senior Management team. Money3 has a Remuneration Committee which comprises a non-executive Director (Ms Bettina Evert) as Chairman and Mr Christopher Baldwin as the other non-executive Director.

The primary purpose of the Remuneration Committee is to support and report to the Board in fulfilling their responsibilities to shareholders in relation to:

- executive remuneration policy;
- the remuneration of executive director;
- the remuneration of persons reporting directly to the managing director, and as appropriate, other executive directors;
- the Company's recruitment, retention and termination policies and procedure;
- superannuation arrangements; and
- all equity based remuneration.

The performance of the Board, Committees, individual Directors and key executives is reviewed regularly against both measurable and qualitative indicators.

Performance appraisals are undertaken annually. The performance criteria against the Board, key executives and committees will be assessed and aligned with key corporate governance needs as well as financial and non-financial objectives.

In relation to the payment of bonuses, options and other incentive payments to executives and other staff, discretion is exercised by the Board having regard to individual, team and Company performance relative to specific targets during the period.

The expected outcomes of remuneration structure are to retain and motivate Directors and key executives, attract quality management and provide performance incentives which align performance and Company success in a manner that is market competitive, consistent with best practice and in the interests of shareholders. Details of the nature and amount of each element of remuneration, including both monetary and non-monetary components, for each Director and the (Non Director) Officers paid during the year can be found in the Directors' Report.

## Directors' Report

The directors present the annual financial report on the consolidated entity, consisting of Money3 Corporation Limited and the entities it controlled at the end of, or during the year ended 30 June 2009. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### DIRECTORS' DETAILS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

#### **Bettina Evert BA LLB MAICD - Chairman and Non-Executive Director (Appointed on 28 February 2006)**

Bettina is a director of Fetter Gdanski Pty Ltd, a commercial law practice established in 1995 and has been either a director or a partner of that firm since 1997. She is highly experienced in commercial law and litigation. She was, prior to commencing at Fetter Gdanski, a senior solicitor on the work-out team after the collapse of the Tricontinental Bank in 1991 and worked as a senior solicitor at Telstra Corporation advising senior management in relation to corporate governance. Prior to joining Fetter Gdanski in 1996 Bettina was a director of Deloitte Touche Thomatsu. Bettina is currently Deputy Chair of the Law Institute of Victoria, Executive Committee, Litigation Section, the Chair of the Courts Practice Committee of the Law Institute of Victoria and a lay member of the CPA Australia Disciplinary Committee which hears professional disciplinary matters relating to members of CPA Australia.

#### **Robert James Bryant - Chief Executive Officer (Appointed on 4 April 2008) - Executive Director (Appointed on 25 November 2005)**

Robert has been a company director since July 1995 and is the major shareholder in Money3. Before entering the financial services industry in May 2000 he was predominantly involved in agricultural related industries for over 25 years. The shift to financial services in 2000 saw Robert commence a small cash loans franchise in Victoria.

Robert's responsibilities included steering the formation of the Company, management and governance, regulation and compliance, expansion and public and government relations.

#### **Kang Hong Tan ACA (UK) PNA (Aust) - Chief Financial Officer (Appointed on 1 July 2006) - Executive Director (Appointed on 25 November 2005)**

Kang has been a member of the Institute of Chartered Accountants in England and Wales since 1983, and the National Institute of Accountants in Australia since 1998. Kang spent 10 years as an Accountant with La Trobe University Union and spent 7 years as an owner operator of a Pizza Haven franchise in Thornbury, Victoria. Before coming to Australia, Kang was the Group Financial Controller of Tanming Corporation Berhad for 4 years.

#### **Christopher James Baldwin CPA - Company Secretary and Non-Executive Director (Appointed on 25 November 2005)**

Christopher commenced work in 1960 for a public accountant and has continued his accounting professional work in taxation, business and consultancy in Shepparton as a principal and currently heads the public accounting practice of Brown Baldwin in Shepparton and Melbourne. Christopher has extensive experience in business matters, including taxation and accounting.

#### **Scott Joseph Baldwin B.Eng(Hons) MBA - Chief Operations Officer (Appointed on 25 April 2008) - Executive Director (Appointed on 13 January 2009)**

Scott has a Masters of Business Administration, Graduate Diploma on Management and a Bachelor of Engineering (Hons). Scott has previously held a number of management positions with several public listed companies. His previous position was with General Electric as a Marketing Manager covering the Asia region.

None of the Company's Directors have held directorships in other listed companies during the past 3 years.

## Directors' Report

### 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 year.

### DIVIDENDS

The Company paid a fully franked interim dividend for the year ended 30 June 2009 of 1.5 cents per share on 29 May 2009.

The Company paid a fully franked final dividend for the year ended 30 June 2008 of 3 cents per share on 28 November 2008.

On 30 September 2009, the directors declared a fully franked final dividend of 1.8 cents per share to the holders of fully paid ordinary shares in respect of the financial year ended 30 June 2009, to be paid to shareholders on 27 November 2009. The dividend will be paid to shareholders on the Register of Members on 13 November 2009. This dividend has not been included as a liability in these financial statements.

### RESULTS OF OPERATIONS

The consolidated net profit after tax for the year was \$1,033,926 (2008: \$1,199,460).

### REVIEW OF OPERATIONS

Gross revenue increased considerably as a result of opening seven new branches and focus on lending policy in the branch network and Loan Centre. The impact of this focus has sped up the use of money, improved the company's cash position and lessened risk. The opening of seven new branches in December 2008 incurred a net trading loss of \$356,578 for the 30 June 2009. While they were currently not profitable for the 30 June 2009 financial year, these branches are budgeted to contribute positive earnings during the FY2010.

### CHANGE IN THE STATE OF AFFAIRS

There was no significant change in the state of affairs of Money3.

### SUBSEQUENT EVENTS

Other than disclosed elsewhere in the financial statements of the Company, no other matter or circumstances has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Company, the results or the state of affairs of the Company.

### FURTHER DEVELOPMENTS

Disclosure of information, in addition to that provided in this report, regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

## Directors' Report

### ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's operations are not regulated by any environmental regulation under a law of the Commonwealth or of a state or territory.

### SHARE OPTIONS

As at the date of this report, there were 2,000,000 unissued ordinary shares of Money3 Corporation Limited in respect of which there are options outstanding (2008: 2,000,000)

#### a) Share options granted to directors and the five most highly remunerated executives

No share options were granted to directors during the current financial year. Details of share options which were on 1 July 2006 are:

Director and executives	Number of options granted	Issuing entity	Number of ordinary shares
Mr Robert Bryant	1,000,000	Money3 Corporation Limited	1,000,000
Mr Kang Hong Tan	1,000,000	Money3 Corporation Limited	1,000,000

#### b) Share options on issue at year end

Details of unissued ordinary shares in Money3 Corporation Limited under option at the date of this report are:

Issuing entity	Type	No. of shares under option	Exercise Price	Expiry Date
Money3 Corporation Limited	Director options	2,000,000	\$1.20	30 June 2011

Each share option converts into one ordinary share of Money3 Corporation Limited on exercise. The options carry neither rights to dividends nor voting rights.

### SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS

During the year ended 30 June 2009, a total of nil (2008: nil) fully paid ordinary shares were issued by Money3 Corporation Limited as a result of the exercise of options for a consideration of \$nil (2008: \$nil). No options have been exercised since the end of the year.

### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has not otherwise, during or since the end of the financial year,

- Indemnified or agreed to indemnify an officer or auditor of the Company or any related body corporate against a liability, including costs and expenses in successfully defending legal proceedings, as an officer or auditor.
- Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings. The Company has not taken out any insurance during or since the end of the year in respect of any person who is or has been a director.

## Directors' Report

### DIRECTORS' MEETING

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, there were 7 Board meetings, 2 Audit Committee and one Remuneration Committee meetings held. No meeting of the Nominations Committee was held during the year.

Director	Board meeting		Audit Committee		Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended
Bettina Evert	7	7	2	2	1	1
Robert Bryant	7	7	-	-	-	-
Kang Hong Tan	7	7	-	-	-	-
Christopher Baldwin	7	6	2	2	1	1
Scott Baldwin	3	3	-	-	-	-

### DIRECTOR'S SHAREHOLDING

The following table sets out each director's relevant interest in shares or options in shares of the Company or a related body corporate as at the date of this report.

Director	Ordinary Shares	Partly paid ordinary shares	Type of Options	Options over Ordinary Shares
Bettina Evert	3,584	-	-	-
Robert Bryant	8,722,174	-	Director	1,000,000
Kang Hong Tan	4,730,092	-	Director	1,000,000
Christopher Baldwin	812,359	-	-	-
Scott Baldwin	827,810	-	-	-

### REMUNERATION REPORT (Audited)

This report outlines the remuneration arrangements in place for directors and executives of Money3 Corporation Limited.

#### REMUNERATION PHILOSOPHY

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

To that end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Focus on creating sustained shareholder value;
- Significant portion of executive remuneration at risk, dependent upon meeting predetermined performance benchmarks; and
- Differentiation of individual rewards commensurate with contribution to overall results and according to individual accountability, performance and potential.

The Remuneration Committee is responsible for determining and reviewing compensation arrangements for the directors, chief executive officer (CEO) and the senior management team. The committee assesses the appropriateness of the nature and amount of remuneration of directors and senior managers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

#### REMUNERATION STRUCTURE

In line with best practice corporate governance, the structure of non-executive director, executive director and senior manager remuneration is separate and distinct.

## Directors' Report

### REMUNERATION REPORT (Audited) (Cont'd)

#### NON-EXECUTIVE DIRECTOR REMUNERATION

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest caliber, whilst incurring a cost which is acceptable to shareholders.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The current approved aggregate remuneration is \$200,000.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The board considers any advice received from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company.

#### SENIOR MANAGEMENT AND EXECUTIVE DIRECTOR REMUNERATION

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- Reward executives for the company and individual performance against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those of shareholders;
- Link reward with the strategic goals and performance of the company; and
- Ensure total remuneration is competitive by market standards.

The executive remuneration program is designed to support the Company's reward philosophies and to underpin the Company's growth strategy. The program comprises the following components:

- Fixed remuneration component
- Variable remuneration component including short term incentive (STI) and long term incentive (LTI)

#### *Fixed remuneration*

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

#### *Variable remuneration - short term incentive (STI)*

The objective of the STI program is to link the achievement of the Company's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the Company is reasonable. On a quarterly basis, after consideration of performance against KPIs, the Board approves an overall performance rating for the Company. The individual performance of each executive is also rated and taken into account when determining the amount, if any, of the short term incentive pool allocated to each executive. The aggregate of annual STI payments available for executives across the Company are usually delivered in the form of a cash bonus. No cash bonuses were paid during the 2009 year (2008: nil).

## Directors' Report

### REMUNERATION REPORT (Audited) (Cont'd)

#### *Variable remuneration - long term incentive (LTI)*

The objective of the LTI plan is to reward senior managers in a manner, which aligns this element of remuneration with the creation of shareholder wealth. As such, LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Company's performance against relevant long term performance hurdle. LTI grants to executives are delivered in the form of options or shares. In the 2009 year, no options were granted (2008: nil) to directors and executives. No issue of shares was made in 2009 (2008: nil) under the LTI plan.

#### CONTRACT OF EMPLOYMENT

All executives of the Company are employed under a letter of appointment with a minimum 6 month (or otherwise mutually agreed time period) notice period required to terminate the appointment. The letters of appointment do not contain specified option incentive entitlements.

#### RELATIONSHIP BETWEEN REMUNERATION POLICY AND COMPANY PERFORMANCE

Remuneration paid to key management personnel (KMP) has been set at a level to attract and retain appropriately skilled persons. All executive Directors and KMP receive a base salary, superannuation and fringe benefits. Performance based bonuses are not currently paid by the Group to Directors and KMP. Options issued to executive directors have been granted in consideration of their efforts in relation to the IPO and to drive continuing performance. As previously mentioned no options were issued in the 2009 year (2008: nil).

In considering the consolidated entity's performance and benefits for shareholder wealth, the directors have regard to the indices in respect of the current financial year and the previous three financial years. The following table shows revenue, profits, dividends, share price, EPS and KMP remuneration at the end of each year since listing.

	19 October 2006 (Date of listing)	30 June 2007	30 June 2008	30 June 2009
Revenue		6,264,045	7,500,731	9,013,813
Net Profit after tax		1,212,121	1,199,460	1,033,926
Closing share price (IPO price)	\$0.90	\$0.89	\$0.46	\$0.39
Price increase/(decrease) \$		\$(0.01)	(\$0.43)	(\$0.07)
Price increase/(decrease) %		(1%)	(48%)	(15%)
Earnings per share		4.71	4.37	3.51
Dividend paid per share		3 cents	4.3 cents	3.3 cents
Total key management personnel remuneration		\$526,589	\$644,900	\$592,179

The overall level of KMP's compensation takes into account the performance of the consolidated entity since listing on 19 October 2006. As a result, the level of compensation has not increased significantly since listing.

#### DETAILS OF REMUNERATION

The KMP of Money3 Corporation Limited includes the directors, and the former chief executive officer of the entity as follows:

Ms Bettina Evert	Non-Executive Chairman (from 28 February 2006)
Mr Robert Bryant	Executive Director (from 25 November 2005), CEO (from 1 July 2006 to 6 August 2007 and re-appointed from 4 April 2008)
Mr Kang Hong Tan	Executive Director and Chief Financial Officer (from 25 November 2005)
Mr Christopher Baldwin	Non Executive Director and Company Secretary (from 25 November 2005)
Mr Scott Joseph Baldwin	Executive Director and Chief Operations Officer (from 13 January 2009)
Mr John Morris	Chief Executive Officer (from 6 August 2007 to 4 April 2008)

The directors and KMP of the consolidated entity are the same as that of Money3 Corporation Limited. KMP are remunerated by the parent entity only. There are no other KMP other than those disclosed above.

Directors' Report

REMUNERATION REPORT (Audited) (Cont'd)

The compensation of each member of the KMP of the consolidated entity is set out below:

	Short term employee benefits		Post employment benefits	Other long term benefits	Share based payment options	Total
	Salary & fees	Bonus	Superannuation			
	\$	\$	\$	\$	\$	\$
<b>2009</b>						
B. Evert	30,000	-	2,700	-	-	32,700
R. Bryant	97,212	-	7,849	-	83,334	188,395
Kang H. Tan	110,000	-	9,000	-	83,333	202,333
C. Baldwin	30,000	-	2,700	-	-	32,700
S. Baldwin (i)	125,643	-	10,408	-	-	136,051
Total	392,855	-	32,657	-	166,667	592,179
<b>2008</b>						
B. Evert	30,000	-	2,700	-	-	32,700
R. Bryant	96,539	-	7,789	-	83,333	187,661
Kang H. Tan	119,615	-	9,865	-	83,333	212,813
C. Baldwin	30,000	-	2,700	-	-	32,700
S. Baldwin	-	-	-	-	-	-
J. Morris (ii)	167,910	-	11,116	-	-	179,026
Total	444,064	-	34,170	-	166,666	644,900

(i) appointed on 13 January 2009

(ii) resigned on 4 April 2008

Except for retirement benefits provided by the superannuation guarantee legislation, there are no retirement benefits for the Directors.

VALUE OF OPTIONS

The value of options is determined at grant date using the Binomial Option Pricing Model taking into account factors including exercise price, expected volatility and option life and is included in remuneration on a proportion basis from grant date to vesting date.

*Value of options issued to directors and key management personnel*

The following table discloses the value of options granted, exercised or lapsed during the year:

Directors	Options Granted	Options exercised	Options lapsed	Total value of options, granted, exercised and lapsed	Percentage of total remuneration for the year that consists of options	Proportion of option remuneration	
	Value at Grant Date	Value at exercise date	Value at time of lapse			Performance related	Non-Performance related
	\$	\$	\$	\$	%	%	%
<b>2009</b>							
R. Bryant	Nil	Nil	Nil	Nil	44	Nil	100
K. Tan	Nil	Nil	Nil	Nil	41	Nil	100
<b>2008</b>							
R. Bryant	Nil	Nil	Nil	Nil	44	Nil	100
K. Tan	Nil	Nil	Nil	Nil	39	Nil	100

Options granted during the 2007 financial year were not related to performance of the company as they were granted in consideration of efforts in relation to the IPO and as an incentive to drive the continuing performance of the Company. These options were issued to Mr Bryant and Mr Tan during the 2007 financial year and vest over 3 years. The total fair value of these options on grant date was \$500,000. As these vest over 3 years a pro-rata amount of \$166,667 has been recorded as an expense in the 2009 (2008: \$166,666) financial year in accordance with AASB2.

## Directors' Report

### REMUNERATION REPORT (Cont'd)

#### SHARE BASED COMPENSATION

##### *Options*

Options are granted under the Money3 Corporation Limited's Director and Employee Share Option Plan. Options are granted under the plan for no consideration. The board meets to determine eligibility for the granting of options, and to determine the quantity and terms of options that will be granted.

The valuations of options are independently determined by independent experts using Binomial option pricing model taking into account the terms and conditions upon which the instruments were granted.

The following table discloses terms and conditions of each grant of options provided as compensation. The only options issued under this scheme were issued in the 30 June 2007 financial year to key management personnel and the details are as follows:

Key Management Personnel	Type of Options	Number in period		Grant date	Expiry date	Exercise price	Fair value per option at grant date
		Vested	Granted				
Robert Bryant	Directors	-	1,000,000	1-Jul-06	30-Jun-11	\$1.20	\$0.25
Kang Hong Tan	Directors	-	1,000,000	1-Jul-06	30-Jun-11	\$1.20	\$0.25

These options vest three years from the date of listing being 19 October 2009 or if an event occurs which gives rise to a change in control of the Company. No options were issued during the 30 June 2009 (2008: nil) financial year to directors or key management personnel.

Share options carry no rights to dividends and no voting rights. In accordance with the terms of the share option schemes, options may be exercised at any time from the date on which they vest to the date of their expiry, subject to any additional specific requirements of the particular allocation.

#### **End of Remuneration Report (Audited)**

#### **PROCEEDINGS ON BEHALF OF THE COMPANY**

No person has applied to the Court for leave to bring proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of these proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

#### **NON-AUDIT SERVICES**

There were no non audit services provided by the auditor during the 2009 or 2008 financial years.

#### **AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 18 of the financial report.

Signed in accordance with a resolution of the Directors

On behalf of the directors



Bettina Evert  
Chairman  
Melbourne,  
Dated 30 September 2009

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of Money3 Corporation Limited for the year ended 30 June 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 audit.

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



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

30 September 2009  
Melbourne

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### **Report on the Financial Report**

We have audited the accompanying financial report of Money3 Corporation Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both Money3 Corporation Limited and the consolidated entity. The consolidated entity comprises Money3 Corporation Limited and the entities it controlled at the year's end or from time to time during the financial year.

#### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the 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 controls relevant to the preparation and fair presentation of the 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with Australian Equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

#### *Auditor's Opinion*

In our opinion:

- (a) the financial report of Money3 Corporation Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

**INDEPENDENT AUDITOR'S REPORT (CONT'D)  
TO THE MEMBERS OF MONEY3 CORPORATION LIMITED**



Chartered Accountants  
& Business Advisers

**Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 13 to 17 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Auditor's Opinion*

In our opinion the Remuneration Report of Money3 Corporation Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Acts 2001*.

PKF

**PKF**

30 September 2009  
Melbourne

A handwritten signature in blue ink that reads 'David Garvey'.

**D J Garvey**  
Partner

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## Directors' Declaration

The directors of Money3 Corporation Limited declare that:

- (a) in the directors' opinion the financial statements and notes and the Remuneration report in the Directors Report set out on pages 13 to 17, are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's and the consolidated entity's financial position as at 30 June 2009 and of their performance, for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a); and
- (c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by Section 295A of the Corporations Act 2001 by the chief executive officer and chief financial officer for the financial year ended 30 June 2009.

Signed in accordance with a resolution of the directors.

On behalf of the Directors



Bettina Evert  
Chairman  
Dated 30 September 2009

## Income Statement for the year ended 30 June 2009

	Notes	Consolidated	Consolidated	Company	Company
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>Revenue from continuing operations</b>	3	<b>9,013,813</b>	<b>7,500,731</b>	<b>6,227,925</b>	<b>4,815,369</b>
<b>Expenses from operating activities:</b>					
Administration		503,733	391,178	196,138	119,043
Employment	4	3,286,724	2,930,168	3,269,449	2,859,504
Advertising		405,005	335,077	319,993	33,315
Occupancy costs		727,004	499,202	206,680	32,347
Bad debts	2	1,417,093	825,534	317,633	93,145
Depreciation & amortisation	4	238,790	229,398	65,535	45,414
Loss on sale of fixed assets		88,273	29,194	88,273	29,194
Communication		156,967	115,125	44,823	7,314
Legal and professional		261,754	260,705	245,745	250,011
Finance Costs	4	103,727	84,174	86,223	80,569
<b>Profit before income tax</b>		<b>1,824,743</b>	<b>1,800,976</b>	<b>1,387,433</b>	<b>1,265,513</b>
Income tax expense	6	(790,817)	(601,516)	(91,920)	24,069
<b>Profit for the period from continuing operations</b>		<b>1,033,926</b>	<b>1,199,460</b>	<b>1,295,513</b>	<b>1,289,582</b>
<b>Profit attributable to members of Money3 Corporation Limited</b>		<b>1,033,926</b>	<b>1,199,460</b>	<b>1,295,513</b>	<b>1,289,582</b>
Earnings per share					
Basic earnings per share (cents)	7	3.51	4.37		
Diluted earnings per share (cents)	7	3.51	4.37		

The income statement is to be read in conjunction with the attached notes.

## Balance Sheet as at 30 June 2009

	Notes	Consolidated		Company	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	10	1,175,708	591,200	442,268	28,699
Trade and other receivables	11	7,183,508	6,877,875	6,208,344	4,876,850
Other	12	4,088	39,915	15,790	40,451
<b>Total current assets</b>		<b>8,363,304</b>	<b>7,508,990</b>	<b>6,666,402</b>	<b>4,946,000</b>
<b>Non current assets</b>					
Trade and other receivables	11	878,303	997,343	874,456	861,758
Other	12	79,089	33,118	43,695	-
Property, plant & equipment	13	1,030,756	989,470	368,014	217,904
Intangibles	14	15,323,487	15,411,760	-	88,273
Deferred tax assets	6(e)	178,973	312,683	178,973	270,893
Investment in Subsidiaries	15	-	-	18,067,510	18,067,510
<b>Total non current assets</b>		<b>17,490,608</b>	<b>17,744,374</b>	<b>19,532,648</b>	<b>19,506,338</b>
<b>Total assets</b>		<b>25,853,912</b>	<b>25,253,364</b>	<b>26,199,050</b>	<b>24,452,338</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	16	568,923	528,096	1,024,615	578,640
Borrowings	18	608,513	1,083,513	608,513	908,513
Current tax payables	6(c)	246,957	555,449	-	4,064
Provisions	17	225,235	180,461	166,985	122,210
<b>Total current liabilities</b>		<b>1,649,628</b>	<b>2,347,519</b>	<b>1,800,113</b>	<b>1,613,427</b>
<b>Non current liabilities</b>					
Provisions	18	52,463	28,072	52,463	28,072
Borrowings	17	62,244	70,468	62,244	70,468
<b>Total non current liabilities</b>		<b>114,707</b>	<b>98,540</b>	<b>114,707</b>	<b>98,540</b>
<b>Total liabilities</b>		<b>1,764,335</b>	<b>2,446,059</b>	<b>1,914,820</b>	<b>1,711,967</b>
<b>Net assets</b>		<b>24,089,577</b>	<b>22,807,305</b>	<b>24,284,230</b>	<b>22,740,371</b>
<b>EQUITY</b>					
Issued capital	19	22,516,008	21,144,955	23,816,524	22,445,471
Share Option Reserve	20	449,069	282,402	449,069	282,402
Accumulated profit	5	1,124,500	1,379,948	18,637	12,498
<b>Total equity</b>		<b>24,089,577</b>	<b>22,807,305</b>	<b>24,284,230</b>	<b>22,740,371</b>

The balance sheet is to be read in conjunction with the attached notes

## Statement of Changes in Equity for the year ended 30 June 2009

### CONSOLIDATED

	Issued Capital	Accumulated Profit	Share Option Reserves	Total
	\$	\$	\$	\$
At 1 July 2007	20,893,237	1,355,885	115,736	22,364,858
Profit for the year	-	1,199,460	-	1,199,460
Issue of shares	251,718	-	-	251,718
Share option reserve	-	-	166,666	166,666
Dividend paid	-	(1,175,397)	-	(1,175,397)
Closing balance as at 30 June 2008	21,144,955	1,379,948	282,402	22,807,305
At 1 July 2008	21,144,955	1,379,948	282,402	22,807,305
Profit for the year	-	1,033,926	-	1,033,926
Issue of shares	1,371,053	-	-	1,371,053
Share option reserve	-	-	166,667	166,667
Dividend paid	-	(1,289,374)	-	(1,289,374)
<b>Closing balance as at 30 June 2009</b>	<b>22,516,008</b>	<b>1,124,500</b>	<b>449,069</b>	<b>24,089,577</b>

### COMPANY

	Issued Capital	Accumulated Profit	Share Option Reserves	Total
	\$	\$	\$	\$
At 1 July 2007	22,193,753	(101,687)	115,736	22,207,802
Profit for the year	-	1,289,582	-	1,289,582
Issue of shares	251,718	-	-	251,718
Share option reserve	-	-	166,666	166,666
Dividend paid	-	(1,175,397)	-	(1,175,397)
Closing balance as at 30 June 2008	22,445,471	12,498	282,402	22,740,371
At 1 July 2008	22,445,471	12,498	282,402	22,740,371
Profit for the year	-	1,295,513	-	1,295,513
Issue of shares	1,371,053	-	-	1,371,053
Share option reserve	-	-	166,667	166,667
Dividend paid	-	(1,289,374)	-	(1,289,374)
<b>Closing balance as at 30 June 2009</b>	<b>23,816,524</b>	<b>18,637</b>	<b>449,069</b>	<b>24,284,230</b>

The statement of changes in equity is to be read in conjunction with the attached notes.

## Cash Flow Statement for the financial year ended 30 June 2009

	Notes	Consolidated	Consolidated	Company	Company
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
Net fees and charges from customers		8,750,415	6,670,870	1,700,955	777,898
Receipts from management charges		-	-	2,760,000	2,500,000
Payments to suppliers and employees		(5,028,693)	(4,212,872)	(4,081,754)	(3,046,607)
Interest received		13,026	4,326	13,026	4,325
Interest paid		(103,727)	(84,174)	(86,223)	(80,569)
Income tax paid		(965,599)	(789,671)	(15,960)	-
		2,665,422	1,588,479	290,044	155,047
<i>(Increase) decrease in operating assets:</i>					
Net funds advanced to customers for loans		(1,399,286)	(1,754,131)	(2,000,497)	(1,259,859)
<b>Net cash provided by operating activities</b>	21(b)	<b>1,266,136</b>	<b>(165,652)</b>	<b>(1,710,453)</b>	<b>(1,104,812)</b>
<b>Cash flows from investing activities</b>					
Payment for property, plant and equipment		(280,076)	(257,643)	(215,645)	(82,419)
Sale of property, plant and equipment		-	89,000	-	89,000
Payment for Computer System		-	(25,273)	-	(25,273)
Payments for purchase of business		-	-	-	(2)
Dividend received from subsidiaries		-	-	1,725,500	1,440,000
<b>Net cash provided by investing activities</b>		<b>(280,076)</b>	<b>(193,916)</b>	<b>1,509,855</b>	<b>1,421,306</b>
<b>Cash flows from financing activities</b>					
Proceeds from share issue		1,010,000	-	1,010,000	-
Repayment of hire purchase borrowings		(8,225)	(93,881)	(8,225)	(59,844)
Advances of wholly owned entities		-	-	840,719	(487,931)
(Repayments)/Proceeds of borrowings		(475,000)	1,075,000	(300,000)	900,000
Dividend paid		(928,327)	(923,679)	(928,327)	(923,679)
<b>Net cash provided by financing activities</b>		<b>(401,552)</b>	<b>57,440</b>	<b>614,167</b>	<b>(571,454)</b>
<b>Net increase (decrease) in cash held</b>		<b>584,508</b>	<b>(302,128)</b>	<b>413,569</b>	<b>(254,960)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>591,200</b>	<b>893,328</b>	<b>28,699</b>	<b>283,659</b>
<b>Cash and cash equivalents at end of the year</b>	21(a)	<b>1,175,708</b>	<b>591,200</b>	<b>442,268</b>	<b>28,699</b>

The cash flow statement is to be read in conjunction with the attached notes.

## Notes to the financial statements

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## Notes to the financial statements for the year ended 30 June 2009

### Introduction

The financial report covers Money3 Corporation Limited as an individual entity ("MNY") and its controlled entities as an economic entity. MNY is a listed public company, incorporated and domiciled in Australia and is the legal parent entity whose shares publicly trade on the ASX. Money3 Corporation Limited and its controlled entities have been accounted for as a reverse acquisition on 1 July 2006.

The principal activity of the economic entity during the financial year was to provide small cash loans in the form of line of credit and personal loans, car loans, cheque cashing and international money transfer.

The financial statements are presented in Australian dollars and amounts are rounded to the nearest dollar.

The financial report was authorised for issue by the Board of Directors of Money3 Corporation Limited at a directors meeting on the date shown on the Declaration by the Board of Directors attached to the Financial Statements.

### 1. Summary of significant accounting policies

#### a) Basis of accounting

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations and complies with other requirements of the law.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements of the Company and consolidated entity comply with International Financial Reporting Standards (IFRS).

The financial statements have been prepared on an accrual basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial statements have been prepared on a going concern basis. The financial statements have been prepared in accordance with generally accepted accounting standards, which are based on the Company continuing as a going concern which assumes the realisation of assets and the extinguishment of liabilities in the normal course of business and at the amounts stated in the financial report.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report. The accounting policies have been consistently applied and are consistent with those of the previous year.

#### b) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company being the parent entity, and its controlled entities.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies.

A controlled entity is an entity controlled by the Company. Control exists where the Company has the capacity to dominate the decision making in relation to the financial and operating policies of other entities so that the other entities operate with the Company to achieve the objectives of the Company.

## Notes to the financial statements for the year ended 30 June 2009

### 1. Summary of significant accounting policies (Cont'd)

#### (b) Principles of consolidation (Cont'd)

The consolidated financial statements include the information and results of each subsidiary from the date on which the company obtains control and until such time as the company ceases to control such entity. In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits/losses arising within the consolidated entity are eliminated in full.

#### c) Critical accounting estimates, assumptions and judgements

In the application of Australian Accounting Standards, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

Judgments made in the application of Australian Accounting Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable in the relevant notes to the financial statements.

Judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements concern the estimated impairment of investments in subsidiaries in the parent entity, associated goodwill on consolidation of subsidiaries and share based payments.

##### *Investments in subsidiaries*

The parent entity tests annually whether investments in subsidiaries have suffered any impairment in accordance with the accounting policy stated in Note 1(i). The Directors engaged an independent consultant to review the annual impairment testing and are of the opinion that there has been no impairment of investments in subsidiaries. Refer to Note 15 for further details.

##### *Goodwill*

The consolidated entity tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 1(i). The Directors engaged an independent consultant to review the annual impairment testing and are of the opinion that there has been no impairment of goodwill. Refer to Note 14 for further details

##### *Allowance for doubtful debts*

The Company and consolidated entity assess impairment regularly. The allowance for doubtful debts represent management's estimate of the losses incurred in the loan book as at 30 June 2009 based on past experience and judgement. At 30 June 2009, the allowances for doubtful debts are \$479,207 (2008: \$415,463).

##### *Share based payments*

Share based payments are accounting for at fair valued using the Binomial model. See Note 9 for further discussion.

#### d) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Cash Flow Statements, cash and cash equivalents consist of cash and cash equivalents as defined above.

## Notes to the financial statements for the year ended 30 June 2009

### 1. Summary of significant accounting policies (Cont'd)

#### e) Trade and other receivables

Trade receivables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest rate method, less an allowance for doubtful debts. Collectibility of trade receivables is reviewed on an ongoing basis, and an allowance for doubtful debts is recognised when there is objective evidence that the collection of the full amount is no longer probable. Bad debts are written off when identified. Receivables from related parties are recognised and carried at the nominal amount due.

Trade receivables are generally due for settlement within 30 days.

#### f) Investments and other financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as fair value through profit or loss which are initially measured at fair value.

Investments in subsidiaries are measured at cost in the company financial statements.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity investments', 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

##### *Loans and receivables*

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment, and are included in trade receivables (Note 11) in the balance sheet.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the receipts through the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

The consolidated entity does not have any fair value through the profit and loss, held-to-maturity or available for sales assets.

##### *Impairment of financial assets*

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the original asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivables is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

## Notes to the financial statements for the year ended 30 June 2009

### 1. Summary of significant accounting policies (Cont'd)

#### f) Investments and other financial assets (Cont'd)

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

#### g) Business combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the entity's share of the identifiable net assets acquired is recorded as goodwill (refer Note 1(h)). If the cost of acquisition is less than the entity's share of the fair value of the identifiable net assets of the business or subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

#### h) Intangible assets

All intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair value can be measured reliably.

##### *Goodwill*

Goodwill represents the excess of the cost of acquisition over the fair value of the entity's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill is not amortised. Instead, goodwill is tested for impairment, annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

##### *Software*

Costs incurred in developing products or systems that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project.

#### i) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impaired loss is recognized for the amount by which the assets' carrying amount may not be recoverable.

## Notes to the financial statements for the year ended 30 June 2009

### 1. Summary of significant accounting policies (Cont'd)

#### i) Impairment of assets (Cont'd)

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### j) Acquisition of assets

The cost method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs incidental to the acquisition. Where shares are issued in an acquisition, the value of the shares is determined having reference to existing markets.

#### k) Property, plant and equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on property, plant and equipment and is calculated on a diminishing value basis over its estimated useful life net of their residual values. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period.

The following depreciation rates are used in the calculation of depreciation:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Leasehold Improvements	20% to 30% or remaining life of the lease
Motor Vehicles	20% to 33.3%
Furniture, Equipment and Fittings	20% to 37.5%

#### *Impairment*

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. Impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Impairment losses are recognised in the income statement.

#### *Disposals*

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is disposed.

#### l) Trade and other payables

Trade and other payables are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

## Notes to the financial statements for the year ended 30 June 2009

### 1. Summary of significant accounting policies (Cont'd)

#### m) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST) except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense, or
- (ii) for receivables and payables which are recognised inclusive of GST, the net amount of GST recoverable from, or payable to the taxation authority is included as part of receivables or payables in the Balance Sheet. Receivables and payables are stated with the amount of GST included.

Cash flows are included in the Cash Flow Statements on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

#### n) Provisions

Provisions are recognised when the economic entity has a present obligation (legal, equitable or constructive) as a result of a present or past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the discounted present value of those cash flows. As that discount is unwound it gives rise to interest expense in the income statement.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### o) Issued capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

#### p) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the economic entity and the revenue can be reliably measured.

#### *Loan fees and charges*

Revenue associated with loans such as application, credit and monthly fees are deferred and recognised over the life of the loans using the effective interest rate method (i.e. on a reducing balance basis) over the loan period.

## Notes to the financial statements for the year ended 30 June 2009

### 1. Summary of significant accounting policies (Cont'd)

#### p) Revenue recognition (Cont'd)

##### *Interest*

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

##### *Dividends*

Revenue is recognised when Money3 Corporation Limited has the right to receive the payment.

##### *Rendering of service*

Revenue from the rendering of services such as cheque cashing and money transfer is recognised in the income statement when the service is performed and there are no unfulfilled service obligations that will restrict the entitlement to receive the sales consideration.

#### q) Employee benefits

##### *Wages and salaries and annual leave*

The provision for employee benefits relates to liabilities for wages and salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' service up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

##### *Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

##### *Superannuation*

The amount charged to the Income Statement in respect of superannuation represents the contributions made by the consolidated entity to the employees' nominated superannuation funds.

#### r) Income tax

##### *Current tax*

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

##### *Deferred tax*

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base for those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that sufficient taxable amounts will be available against deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

## Notes to the financial statements for the year ended 30 June 2009

### 1. Summary of significant accounting policies (Cont'd)

#### r) Income tax (Cont'd)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the assets and liabilities giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances they relate to are levied by the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and the entity intends to settle its current tax assets and liabilities on a net basis.

#### *Current and deferred tax for the period*

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill.

#### s) Leases

Leases under which the Company or its controlled entities assume substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

#### *Finance leases*

Finance leases, which transfer to the economic entity substantially all the risks and benefits incidental to ownership of the leased item, are recognised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments, with a corresponding liability included in current and non-current payables.

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset. Finance lease payments are allocated between interest expense and reduction of lease liability over the term of the lease. The interest expense is determined by applying the interest rate implicit in the lease to the outstanding lease liability at the beginning of each lease payment period. Finance charges are charged directly against income. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

#### *Operating leases*

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the term of the lease.

## Notes to the financial statements for the year ended 30 June 2009

### 1. Summary of significant accounting policies (Cont'd)

#### t) Borrowings

Borrowings are initially measured at fair value, net of transaction costs. Borrowings are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Borrowings are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 month after the reporting date.

#### u) Borrowings Costs

Borrowing costs are recognised as an expense in the period in which they are incurred except borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale. In this case the borrowing costs are capitalised as part of the cost of such a qualifying asset.

#### v) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Refer to Note 2 for changes in comparatives in the 2009 year.

#### w) Share based payment arrangements

Goods or services received or acquired in a share-based payment transaction are recognised as an increase in equity if the goods or services were received in an equity-settled share based payment transaction or as a liability if the goods and services were acquired in a cash settled share-based payment transaction.

For equity settled share-based payments, goods or services received are measured directly at the fair value of the goods and services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instruments issued.

The share option reserve is used to record the grant of share options to directors and senior employees. Amounts are transferred out of the reserve account into issued capital when the options are exercised.

#### x) Earnings per share

##### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

## Notes to the financial statements for the year ended 30 June 2009

### 1. Summary of significant accounting policies (Cont'd)

#### x) Earnings per share (Cont'd)

##### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Where a net loss is made for the period, basic EPS and diluted EPS are the same, because, the inclusion of options in the earnings per share calculations does not result in further dilution.

#### y) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

#### z) Adoption of new and revised accounting standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

#### aa) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Group's assessment of the impact of these new standards and interpretations is only relevant to the below:

i) AASB 8 Operating Segments introduces the "management approach" to segment reporting. AASB 8, which becomes mandatory for the Group's 30 June 2010 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Currently the Group presents segment information in respect of its business and geographical segments (see note 23). The Group does not believe AASB 8 will have a material impact on the Group's financial report.

ii) Revised AASB 101 Presentation of Financial Statements introduces as a financial statement (formerly "primary" statement) the "statement of comprehensive income". The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for the Group's 30 June 2010 financial statements. These amendments are only expected to affect the presentation of the Group's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report.

(iii) AASB 2008-1 Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations was issued in February 2008 and will become applicable for annual reporting periods beginning on or after 1 January 2009. The revised standard clarifies that vesting conditions are service conditions and performance conditions only and that other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group will apply the revised standard from 1 July 2009, but it is not expected to affect the accounting for the Group's share-based payments.

## Notes to the financial statements for the year ended 30 June 2009

### 1. Summary of significant accounting policies (Cont'd)

#### aa) New accounting standards and interpretations (Cont'd)

(iv) Revised AASB 3 Business Combinations, AASB 127 Consolidated and Separate Financial Statements and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 were issued in March 2008 and are operative for annual reporting periods beginning on or after 1 July 2009, but may be applied earlier. However, the new rules generally apply only prospectively to transactions that occur after the application date of the standard. Their impact will therefore depend on whether the Group will enter into any business combinations or other transactions that affect the level of ownership held in the controlled entities in the year of initial application. For example, under the new rules:

- all payments (including contingent consideration) to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments subsequently remeasured at fair value through income;
- all transaction cost will be expensed;
- the Group will need to decide whether to continue calculating goodwill based only on the parent's share of net assets or whether to recognise goodwill also in relation to the non-controlling (minority) interest; and
- when control is lost, any continuing ownership interest in the entity will be remeasured to fair value and a gain or loss recognised in profit or loss.

(v) AASB 2008-7 Amendments to Australian Accounting Standard - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate was issued in August 2008 and will apply to financial reporting periods commencing on or after 1 January 2009. The revised rules, remove from AASB 118 the requirement to deduct dividends declared out of pre-acquisition profits from the cost of an investment in a subsidiary, jointly controlled entity or associate. Thus, all dividends received would be recognised as revenue. Furthermore, it amends AASB 127 to require, in certain circumstances, a new parent entity created in a group reorganisation to measure its investment at the carrying amount of the net assets shown in the separate financial statements of the original parent at the date of reorganisation. The Group does not believe AASB 2008-7 will have a material impact on the Group's financial report.

(vi) AASB 2009-8 Amendments to Australian Accounting Standard - Group Cash-Settled Share Based Payments was issued in August 2009 and will apply to financial reporting periods commencing on or after 1 January 2010. The amendments clarify the scope of AASB 2 by requiring an entity that receives goods or services in a share-based payment arrangement to account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. The Group has not yet determined what impact, if any, AASB 2009-8 will have on the Group's financial report.

(vii) Interpretation 17 - Distributions of Non-cash Assets to Owners This Interpretation clarifies that:

- a) a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity;
- b) an entity should measure the dividend payable at the fair value of the net assets to be distributed; and
- c) an entity should recognise the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss, as a separate line item.

The Interpretation also requires an entity to provide additional disclosures if the net assets being held for distribution to owners meet the definition of a discontinued operation. The Group has not yet determined what impact, if any, Interpretation 17 will have on the Group's financial report.

## Notes to the financial statements for the year ended 30 June 2009

### 2. Reclassification of Deferred Revenue

#### Impact on Balance sheet from reclassification of Deferred Revenue in the previous financial year

In the financial statements for the year ended 30 June 2008, deferred revenue of \$2,923,763 and \$1,068,895 for the consolidated entity and parent entity respectively was separately disclosed in the Balance Sheet. The directors consider that the appropriate disclosure is that the deferred revenue be disclosed net off the gross receivables rather separately disclosed in the balance sheet in the 2009 year. This treatment is more appropriate as receivables are accounted for at amortised cost using the effective interest method as described in Note 1(p) to the financial statements. The change in comparatives resulting from this reclassification is consistent with the company's accounting policy which has not changed from prior year and reduces each of current assets and current liabilities by \$2,923,763 and \$1,068,895 for the consolidated entity and company respectively and has no implications for equity or profit in the income statement.

The impact of the reclassification on the 2008 balance sheet is as follows:

	Restated Consolidated 2008	Consolidated 2008	Restated Company 2008	Company 2008
<b>Current Assets</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Gross trade receivables	11,214,444	11,214,444	3,659,131	3,659,131
Less Deferred revenue	(2,923,763)	-	(1,068,895)	-
Net trade receivables	8,290,681	11,214,444	2,590,236	3,659,131
<b>Current Liabilities</b>				
Deferred revenue	-	(2,923,763)	-	(1,068,895)

#### Impact on Income Statement from reclassification of Loan Fees and Bad Debts Written Off in the previous financial year

In the financial statement for the year ended 30 June 2008, revenue still to be earned from fees and charges when a debt was to be written off was included in Loan fees income and an equivalent amount recorded as Bad debts expense. This treatment is inconsistent with the policy of recognising revenue on loan fees using the effective interest method over the loan period. The effect of this treatment in 2008 was an overstatement of \$305,206 and \$37,916 in both loan fees received and bad debts expense for the consolidated entity and company respectively. There is no impact on profit before income tax or net profit from this reclassification. The impact on revenue from loan fees and bad debt expense is as follows:

	Restated Consolidated 2008	Consolidated 2008	Restated Company 2008	Company 2008
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue from loan fees	6,717,469	7,022,675	742,549	780,465
Bad Debt expense	825,534	1,130,740	93,145	131,061

## Notes to the financial statements for the year ended 30 June 2009

### 3. Revenue

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$	\$	\$	\$
<b>Continuing operations:</b>				
<b>Revenue from operating activities</b>				
Loan fees (Note 2)	7,930,243	6,717,469	1,669,135	742,549
Cheque cashing fees	858,300	568,871	32,782	-
Other services	212,244	210,065	27,482	128,494
Management Charges – wholly owned entities	-	-	2,760,000	2,500,000
	<u>9,000,787</u>	<u>7,496,405</u>	<u>4,489,399</u>	<u>3,371,043</u>
<b>Revenue from non-operating activities</b>				
Interest income from financial institutions	13,026	4,326	13,026	4,326
Dividend received	-	-	1,725,500	1,440,000
<b>Total revenue from continuing operations</b>	<b><u>9,013,813</u></b>	<b><u>7,500,731</u></b>	<b><u>6,227,925</u></b>	<b><u>4,815,369</u></b>

### 4. Expenses included in net profit/(loss) from continuing operations

Profit/(Loss) before income tax has been determined after:

<i>Employment:</i>				
Salary and employee benefits expense	2,514,785	2,174,470	2,514,785	2,174,470
Share based payment	166,667	166,666	166,667	166,666
Contributed superannuation	263,505	291,521	263,505	291,521
Other employment costs	341,767	297,511	324,492	226,847
Total Employment costs	<u>3,286,724</u>	<u>2,930,168</u>	<u>3,269,449</u>	<u>2,859,504</u>
<i>Depreciation and amortisation:</i>				
Leasehold improvements	83,855	73,460	6,724	-
Motor vehicles	33,549	39,629	33,549	39,629
Furniture, Equipment and Fittings	121,386	116,309	25,262	5,785
Total depreciation and amortisation	<u>238,790</u>	<u>229,398</u>	<u>65,535</u>	<u>45,414</u>
<i>Operating lease</i>				
Rent	<u>515,010</u>	<u>339,472</u>	<u>135,419</u>	<u>-</u>
<i>Finance costs (a)</i>				
Interest on bank overdrafts and loans	96,685	78,939	79,181	78,936
Interest on obligations under finance lease	7,042	5,235	7,042	1,633
Total finance costs	<u>103,727</u>	<u>84,174</u>	<u>86,223</u>	<u>80,569</u>
(Gain) / loss on disposal of assets	<u>-</u>	<u>29,194</u>	<u>-</u>	<u>29,194</u>

(a) The weighted average interest rate on funds borrowed generally is 10.9% p.a. (2008: 11.4%p.a.)

## Notes to the financial statements for the year ended 30 June 2009

### 5. Accumulated profit

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$	\$	\$	\$
Accumulated profit at 1 July	1,379,948	1,355,885	12,498	(101,687)
Net profit	1,033,926	1,199,460	1,295,513	1,289,582
Dividend Paid	(1,289,374)	(1,175,397)	(1,289,374)	(1,175,397)
Accumulated profit at 30 June	1,124,500	1,379,948	18,637	12,498

### 6. Income tax

#### a) Income tax expense

Current tax expense	657,107	550,044	-	4,064
Deferred tax expense / (income) related to the origination and reversal of temporary differences in relation to deferred tax assets	133,710	51,472	91,920	(28,133)
Total tax expense / (income) in the income statement	790,817	601,516	91,920	(24,069)

Current tax expense is attributable to:

- Profit from continuing operations	790,817	601,516	91,920	(24,069)
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Deferred income tax (revenue)/expense included in income tax expense comprises:

- Decrease/(increase) in deferred tax assets	133,710	-	91,920	-
- (Decrease)/increase in deferred tax liabilities	-	-	-	(28,133)
	133,710	-	91,920	(28,133)

#### b) The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

Profit / (loss) from continuing operations before income tax expense	1,824,743	1,800,976	1,317,433	1,265,513
Income tax calculated at 30% (2008: 30%)	547,423	540,292	395,230	379,654
Add/(less):				
Capital raising costs	(47,792)	(47,792)	(47,792)	(47,792)
Intra-group dividends	-	-	(496,650)	(432,000)
Business tax break	(14,521)	-	(10,652)	-
Non deductible expenses	220,346	104,332	162,671	76,069
Unused tax losses (recognised)/not recognised as deferred tax assets	85,361	4,684	89,113	-
Income tax expense / (income)	790,817	601,516	91,920	(24,069)

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

#### c) Current tax liabilities

Income tax payable attributable to:

Parent entity	-	-	(11,896)	4,064
Entities in the consolidated group	246,957	555,449	-	-
	246,957	554,449	(11,896)	4,064

## Notes to the financial statements for the year ended 30 June 2009

### 6. Income tax (Cont'd)

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$	\$	\$	\$
<b>d) Amounts recognised directly in equity</b>				
Aggregate current and deferred tax arising in the reporting period and recognised directly in equity:				
Current tax – credited directly to equity	-	-	-	-
Net Deferred tax debited (credited) directly to equity	-	-	-	-
	-	-	-	-
<b>e) Deferred tax balances</b>				
Deferred tax assets comprises:				
Capital raising costs	95,583	143,375	95,583	143,375
Provisions	83,390	153,490	83,390	127,518
Recognised Tax losses	-	15,818	-	-
	178,973	312,683	178,973	270,893
<b>f) Tax losses</b>				
Unused tax losses for which no deferred tax assets has been recognised				
	284,537	-	297,043	-
Potential tax benefit @30%	85,361	-	89,113	-

All unused tax losses were incurred by Australian entities

### g) Unrecognised temporary differences

There are no unrecognised temporary difference

### 7. Earnings per share

	Consolidated 2009	Consolidated 2008
	Cents	Cents
<b>a) Basic and diluted earnings per share</b>		
Basic earnings per share (cents per share)	3.51	4.37
Diluted earnings per share (cents per share)	3.51	4.37
<b>b) The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:</b>		
	\$	\$
Earnings used in basic and diluted earnings per share (net profit)	1,033,926	1,199,460
	Number	Number
Weighted average number of ordinary shares for the purpose of basic earnings per share	29,454,570	27,424,139
Weighted average number of ordinary and potential ordinary shares used in the calculation of earnings per share as follows:		
Weighted average number of ordinary shares basic	29,454,570	27,424,139
Options	-	-
Weighted average number of ordinary shares diluted	29,454,570	27,424,139

The number of potential ordinary shares not included in the above calculation is Nil.

## Notes to the financial statements for the year ended 30 June 2009

### 8. Dividends

	2009 Cents per share	2009 \$	2008 Cents per share	2008 \$
<b>Recognised amounts</b>				
Fully paid ordinary shares				
Interim dividend fully franked at 30% tax rate	1.5	459,068	1.3	357,147
<b>Unrecognised amounts</b>				
Fully paid ordinary shares				
Final dividend fully franked at 30% tax rate	1.8	561,477	3.0	830,306

On 30 September 2009, the directors declared a fully franked final dividend of 1.8 cents per share to the holders of fully paid ordinary shares in respect of the financial year ended 30 June 2009, to be paid to shareholders on 27 November 2009. The dividend will be paid to shareholders on the Register of Members on 13 November 2009. This dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is \$561,477.

#### Dividend Franking Credits

	Consolidated 2009 \$	Consolidated 2008 \$	Company 2009 \$	Company 2008 \$
Franking credits available for subsequent financial years based on a tax rate of 30% (2008 – 30%) (i)	1,070,642	822,210	186,911	144,706
Impact on franking account balance of dividends not recognised (ii)	(240,633)	(355,845)	(240,633)	(355,845)
Income tax consequences of unrecognised dividends (ii)	-	-	(53,722)	(211,139)

(i) The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credit that will arise from the payment of the amount of the provision for income tax;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

(ii) Subsidiaries in the consolidated group have sufficient franking credit to pay fully franked dividend to parent entity thus enabling the parent entity to pay fully franked dividend to shareholders on 27 November 2009. The impact on the franking account of the dividend recommended by the directors since year end, but not recognised as liability at year end, will be a reduction in the franking account of \$240,633 (2008: \$355,845).

## Notes to the financial statements for the year ended 30 June 2009

### 9. Share options issued

Movement in the share options of the consolidated entity during the financial year are summarized below.

	2009 Number	2008 Number
Balance at 1 July	2,000,000	2,000,000
Granted during the financial period	-	-
Balance at the 30 June	<u>2,000,000</u>	<u>2,000,000</u>

No options were exercised, forfeited, lapsed or expired during the period.

Options granted during the 2007 financial period

Options	Number	Grant Date	Expiry Date	Exercise Price	Fair value at grant date
Issued 1 July 2006	<u>2,000,000</u>	19-Oct-06	1-Jul-11	\$1.20	\$0.25
Total	<u>2,000,000</u>				

These options vest three years from the date of listing being 19 October 2009 or if an event occurs which gives rise to a change in control of the Company.

Share options carry no rights to dividends and no voting rights. In accordance with the terms of the share option schemes, options may be exercised at any time from the date on which they vest to the date of their expiry, subject to any additional specific requirements of the particular allocation.

Consideration received on the exercise of options is recognised on contributed equity. During the financial year ended 30 June 2009 and 30 June 2008 no options were exercised.

The weighted average remaining contractual life of outstanding options at 30 June 2009 is 24 months. (2008: 36 months)

The weighted average exercise price is \$1.20 (2008: \$1.20)

The weighted average share price during the year was \$0.41 (2008: \$0.64)

#### Options

Options are granted under the Money3 Corporation Limited's Director and Employee Share Option Plan. Options are granted under the plan for no consideration. The board meets to determine eligibility for the granting of options, and to determine the quantity and terms of options that will be granted.

The valuations of options are determined by independent experts using Binomial option pricing model taking into account the terms and conditions upon which the instruments were granted. The options have a term of five years and vest after three years.

As previously noted, no options were issued during the year ended 2009.

The model inputs for options granted during the year ended 30 June 2007 included:

- exercise price	\$1.20
- grant date	19 October 2006
- expiry date	1 July 2011
- share price at grant date	\$0.87
- expected volatility	50%
- expected dividend yield	5%
- risk free interest rate	5.75%

## Notes to the financial statements for the year ended 30 June 2009

### 9. Share options issued (Cont'd)

The expected price volatility is based on the historic volatility of comparable companies.

The following table discloses terms and conditions of each grant of options provided as compensation in the previous, this or future reporting periods of key management personnel are as follows:

Key management person	Number in Period		Grant date	Expiry date
	Unvested	Granted		
Robert Bryant	1,000,000	1,000,000	19-Oct-06	1-Jul-11
Kang Hong Tan	1,000,000	1,000,000	19-Oct-06	1-Jul-11

  

Key management person	Exercise Price	Fair value per option at grant date	Date exercisable
Kang Hong Tan	\$1.20	\$0.25	19-Oct-09

The weighted average fair value of the options granted during the year ended 30 June 2007 was \$0.25 per option. The Binomial option pricing model takes into account the exercise price (2009: N/A (2007:\$1.20)), the term of the option (2009:N/A (2007: 5 years)), the vesting criteria (2009: N/A (2007: 3 years)), the non tradable nature of the option, the share price on the grant date (2009: N/A (2007:\$0.87)) and expected price volatility of the share (2009: N/A (2007: 50% - based on historical data for comparable companies)), the expected dividend yield (2009: N/A (2007: 5%)), and the risk free rate (2009: N/A (2007: 5.75%)) for the term of the option.

Options granted under the plan carry no dividend or voting rights.

### 10. Cash and cash equivalents

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
Cash at bank in hand	\$ 1,175,708	\$ 591,200	\$ 442,268	\$ 28,699

### 11. Trade and other receivables

Net trade receivables	8,541,018	8,290,681	4,271,389	2,590,236
Allowance for doubtful debts	(479,207)	(415,463)	(133,177)	(163,333)
	8,061,811	7,875,218	4,138,212	2,426,903
Advances to controlled entities	-	-	2,944,588	3,311,705
	8,061,811	7,875,218	7,082,800	5,738,608
Current receivables	7,183,508	6,877,875	6,208,344	4,876,850
Non-current receivables	878,303	997,343	874,456	861,758

Trade receivables have been aged according to their original due date in the below ageing analysis, including where repayment terms for certain long outstanding trade receivables have been renegotiated. The carrying value of trade receivables after allowance for doubtful debts is considered a reasonable approximation of fair value due to the short-term nature of the balances.

## Notes to the financial statements for the year ended 30 June 2009

### 11. Trade and other receivables (Cont'd)

The following basis has been used to assess the doubtful debt required for trade receivables:

- an individual account by account assessment based on past credit history;
- any prior knowledge of debtor insolvency or other credit risk; and
- working with client manager on weekly basis to assess past due items to determine recoverability.

An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past provision of services, determined by reference to past default experience. During the current financial year, the allowance for doubtful debts increased by \$63,744 (2008: increased by \$166,851) in the Group and decreased by \$30,156 (2008: increased by \$163,333) in the company. These amounts relate mainly to customers experiencing financial hardships. This movement was recognised in the income statement. During the year, the Group's and the Company's bad debt expense increased by \$591,559 and \$224,488, respectively. The company and consolidated entity actively review debtors for bad debts and these are expensed immediately when identified.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements. The Group does not hold any collateral as security over loans below \$5,000, and as such did not take possession of any collateral for loans in this category. Security is generally taken for loans above \$5,000. As at the balance date there has not been any repossession. The total fair value of securities held for certain trade receivables is impracticable to determine for accounting disclosure as is the fair value of any collateral sold or repledged. However, the security position against individual debtor is considered by management in evaluation of recoverable amount. Refer to Note 27(b) for more information on the credit risk policy of the Group.

Refer to Note 27 for more information on the risk management policy of the Group and the credit quality of the entity's trade receivables.

	2009			2008		
	Gross	Allowance (i)	Net (ii)	Gross	Allowance (i)	Net (ii)
	\$	\$	\$	\$	\$	\$
<b>Consolidated</b>						
The aging of the receivables is:						
1 to 3 months	720,717	(328,489)	392,228	741,322	(342,656)	398,666
3 to 6 months	379,563	(50,575)	328,988	202,155	(35,677)	166,478
More than 6 months	785,433	(100,143)	685,290	478,974	(37,130)	441,844
TOTAL	1,885,713	(479,207)	1,406,506	1,422,451	(415,463)	1,006,988
<b>Company</b>						
The aging of the receivables is:						
1 to 3 months	264,417	(128,435)	135,982	175,929	(163,333)	12,596
3 to 6 months	21,257	(4,742)	16,515	24,670	-	24,670
More than 6 months	143,939	-	143,939	66,628	-	66,628
TOTAL	429,613	(133,177)	296,436	267,227	(163,333)	103,894

(i) Past due and impaired

(ii) Past due but not impaired

Given the nature of the loans and advances provided, a significant portion of debtors are expected to be slow in repayment. However, past experience demonstrates that these loans and advances net of allowance for doubtful debts will be collected. The Group does not hold any collateral in relation to these receivables.

## Notes to the financial statements for the year ended 30 June 2009

### 11. Trade and other receivables (Cont'd)

A reconciliation of the movement in the provision for impairment of receivables is shown below:

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$	\$	\$	\$
Opening balance	415,463	258,612	163,333	-
Additional provisions	479,207	415,463	133,177	163,333
Receivables written off as uncollectible	(152,681)	(131,071)	(92,768)	-
Unused amount reversed	(263,521)	(127,541)	(70,565)	-
Closing balance	479,207	415,463	133,177	163,333

The creation and release of provision for impaired receivables has been included in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

### 12. Other assets

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$	\$	\$	\$
<i>Current</i>				
Other debtors	-	28,487	-	30,569
Prepayments	4,088	11,428	15,790	9,882
	4,088	39,915	15,790	40,451
<i>Non-Current</i>				
Rental deposits	79,089	33,118	43,695	-
	79,089	33,118	43,695	-

There were no past due and impaired other debtors.

### 13. Property, plant and equipment

Consolidated 2009	Motor vehicles on hire purchase	Motor vehicles	Improvement to Leasehold	Furniture, Equipment and Fittings	Total
	\$	\$	\$	\$	\$
<b>Gross carrying amount</b>					
Balance at 1 July 2008	93,500	146,162	569,505	944,343	1,753,510
Additions	-	-	61,451	218,625	280,076
Asset reclassification	-	-	113,326	(113,326)	-
Disposals	-	(39,735)	-	-	(39,735)
<b>Balance at 30 June 2009</b>	93,500	106,427	744,282	1,049,642	1,993,851
<b>Accumulated Depreciation</b>					
Balance at 1 July 2008	3,483	77,843	214,035	468,679	764,040
Depreciation expense	18,003	15,546	83,855	121,386	238,790
Depreciation on reclassified asset	-	-	84,079	(84,079)	-
Disposals	-	(39,735)	-	-	(39,735)
Balance at 30 June 2009	21,486	53,654	381,969	505,986	963,095
<b>Net carrying amount</b>					
As at 30 June 2009	72,014	52,773	362,313	543,656	1,030,756

## Notes to the financial statements for the year ended 30 June 2009

### 13. Property, plant and equipment (Cont'd)

<b>Consolidated 2008</b>	<b>Motor vehicles on hire purchase \$</b>	<b>Motor vehicles \$</b>	<b>Improvement to Leasehold \$</b>	<b>Furniture, Equipment and Fittings \$</b>	<b>Total \$</b>
<b>Gross carrying amount</b>					
Balance at 1 July 2007	43,901	198,318	447,310	856,996	1,546,525
Additions	152,525	34,400	122,195	87,347	396,467
Disposals	(102,926)	(86,556)	-	-	(189,482)
<b>Balance at 30 June 2008</b>	<b>93,500</b>	<b>146,162</b>	<b>569,505</b>	<b>944,343</b>	<b>1,753,510</b>
<b>Accumulated Depreciation</b>					
Balance at 1 July 2007	14,468	98,517	140,575	352,371	605,931
Depreciation expense	13,677	25,952	73,460	116,308	229,397
Disposals	(24,662)	(46,626)	-	-	(71,288)
Balance at 30 June 2008	3,483	77,843	214,035	468,679	764,040
<b>Net carrying amount</b>					
As at 30 June 2008	90,017	68,319	355,470	475,664	989,470
<b>COMPANY 2009</b>					
	<b>Motor vehicles on hire purchase \$</b>	<b>Motor vehicles \$</b>	<b>Improvement to Leasehold \$</b>	<b>Furniture, Equipment and Fittings \$</b>	<b>Total \$</b>
<b>Gross carrying amount</b>					
Balance at 1 July 2008	93,500	106,427	-	66,504	266,431
Additions	-	-	59,747	155,898	215,645
Asset reclassification	-	-	7,120	(7,120)	-
Disposals	-	-	-	-	-
<b>Balance at 30 June 2009</b>	<b>93,500</b>	<b>106,427</b>	<b>66,867</b>	<b>215,282</b>	<b>482,076</b>
<b>Accumulated Depreciation</b>					
Balance at 1 July 2008	3,483	38,108	-	6,936	48,527
Depreciation expense	18,003	15,546	6,724	25,262	65,535
Depreciation on asset reclassification	-	-	1,494	(1,494)	-
Disposals	-	-	-	-	-
Balance at 30 June 2009	21,486	53,654	8,218	30,704	114,062
<b>Net carrying amount</b>					
As at 30 June 2009	72,014	52,773	58,649	184,578	368,014

## Notes to the financial statements for the year ended 30 June 2009

### 13. Property, plant and equipment (Cont'd)

COMPANY 2008	Motor vehicles on hire purchase \$	Motor vehicles \$	Improvement to Leasehold \$	Furniture, Equipment and Fittings \$	Total \$
<b>Gross carrying amount</b>					
Balance at 1 July 2007	43,901	158,583	-	32,185	234,669
Additions	152,525	34,400	-	34,319	221,244
Disposals	(102,926)	(86,556)	-	-	(189,482)
<b>Balance at 30 June 2008</b>	<b>93,500</b>	<b>106,427</b>	<b>-</b>	<b>66,504</b>	<b>266,431</b>
<b>Accumulated Depreciation</b>					
Balance at 1 July 2007	14,468	58,782	-	1,151	74,401
Depreciation expense	13,677	25,952	-	5,785	45,414
Disposals	(24,662)	(46,626)	-	-	(71,288)
Balance at 30 June 2008	3,483	38,108	-	6,936	48,527
<b>Net carrying amount</b>					
As at 30 June 2008	90,017	68,319	-	59,568	217,904

See accounting policy in Note 1(k), regarding useful life assumptions.

The carrying value of plant and equipment held under hire purchase contracts at 30 June 2009 is \$72,014 (2008: \$90,017). Additions during the year include \$nil (2008: \$152,525) of plant and equipment held under hire purchase contracts.

Assets and assets under hire purchase contracts are pledged as security for the related and hire purchase liabilities.

### 14. Intangible assets

	Consolidated 2009 \$	Consolidated 2008 \$	Company 2009 \$	Company 2008 \$
Computer software (i)	-	88,273	-	88,273
Goodwill (ii)	15,323,487	15,323,487	-	-
Total intangibles	15,323,487	15,411,760	-	88,273

(i) The computer software was purchased as part of a system upgrade and was completed during 2008. This software is amortised in full in 2009.

(ii) Goodwill

Money3 Branches and Loan Centre	15,323,487	-	-	-
Money3 Trading Companies	-	14,598,487	-	-
Money3 Dandenong Pty Ltd	-	725,000	-	-
Total Goodwill	15,323,487	15,323,487	-	-

## Notes to the financial statements for the year ended 30 June 2009

### 14. Intangible assets (Cont'd)

#### Background

The allocation of goodwill for impairment testing purposes in the 2009 financial year one cash generating unit (CGU), being the combined operations of the Money3 Trading Companies and the Loan Centre. In the 2008 financial statements, impairment testing was done at an individual branch level. The recoverable amounts of the cash generating unit is based on a number of key assumptions as detailed below and the aggregate carrying amounts of goodwill allocated to these units are provided above.

The recoverable amount of a CGU is identified based on value-in-use calculations which use cash flow projections based on financial budgets approved by management covering a five-year period,

#### Impairment tests and key assumptions used

During the period, the directors engaged an independent valuation expert to review the directors' assessment of the recoverable amount of goodwill. The directors have concluded that there is no impairment of goodwill (2008: \$nil).

The cash-generating unit provides financial services specialising in the delivery of small cash loans, personal loans, cheque cashing and international money transfer. The recoverable amount of the CGU is determined based on a value in use calculation which uses cash flow projections based on past experience, expectations for the future, utilizing both internal and external sources of data and relevant industry trends.

#### *Cash flows*

The value in use calculations use cash flow projections based on past operating results and budgets approved by the directors for the 30 June 2010 financial year extended over a further four year period, in total covering a five-year period. The directors also assumed there are no significant changes to the present legislation regulating the credit industry. The 30 June 2010 financial year budget allows for an improvement in the level of bad debts expenditure, a growth in expense of 2.5% and a 22% increase in revenue mainly arising from branch expansion in the 2009 year.

#### *Growth rate*

The growth rate applied to the cash flows for the four year period beyond the detailed budget prepared and approved by the directors for the 30 June 2010 financial year is between 3% and 10% (2008: 12%). The terminal value growth rate used to the extrapolated cash flows beyond the five year period is 2.5% (2008: 12%). The growth in cash flows is based on assumptions in total revenue growth over the period beyond the 30 June 2010 financial year of 5% and growth in cash outflows for total expenses of 2.5% to 3.5%.

#### *Discount rate*

The discount rate applied to the cash flow projections is 18.54% (2008: 15.5%) pre tax. The discount rate is derived using the capital asset pricing model by estimating the company's weighted average cost of capital with appropriate adjustment for cost of equity, risk free rate of interest, market risk premium and the beta of GICS Class 17 – Diversified Financials sector.

#### Change in CGUs

Since becoming one entity on 1 July 2006, the structure of Money3's operations at branch level have been changing and evolving towards one of focusing on customer service. Customers are now able to do business with Money3 from a branch nearest to them. This often means transferring and referring customers away from the original servicing branch.

## Notes to the financial statements for the year ended 30 June 2009

### 14. Intangible assets (Cont'd)

The Company's Loan Centre was originally operated from Clayton and Glenroy. Since consolidating and transferring to Money3 Corporation Limited, Clayton and Glenroy have been significantly impacted. Revenue from customers referred to new or nearest branch and Loan Centre is not reflected in the originating branch.

The transfer of business away from branches has no impact to revenue on a consolidated level but has a significant impact for individual branches making up the CGUs.

All new branch operations and the Loan Centre have evolved out of the original 10 branches that make up the CGU. Tracking of which customer or the level of business transferred to another branch or the Loan Centre is difficult.

As a result of the change in operating structure, Money3 now considers it more appropriate to monitor goodwill on the entire group, being the Loan Centre and the Company's branch network which is the lowest level within the entity that the directors monitor goodwill. This is consistent with the Company's segment reporting. For the 2009 year, the Board passed a resolution to reflect the above for the purpose of monitoring and testing of goodwill in the 2009 year.

#### Impairment testing on new CGU

The Board is of the opinion that there is no impairment to goodwill in the 2009 year.

#### Impact of possible changes in key assumptions

As at 30 June 2009, the recoverable amount of the goodwill of the CGU exceeded the carrying value of goodwill by \$5.4M. In assessing the impact of possible changes in key assumptions applied to test the carrying value of goodwill allocated to the CGU, if the pre-tax discount rate increased by 3.8% the cash flow growth rate decreased by 10.2%, when applied to the CGU, then the recoverable amount of the goodwill would be less than their carrying amounts. Management does not consider the CGU is particularly sensitive to changes in key assumptions or that a change in any of the other key assumptions is reasonably possible.

### 15. Investment in subsidiaries

	Consolidated 2009 \$	Consolidated 2008 \$	Company 2009 \$	Company 2008 \$
Balance at beginning of financial year	-	-	18,067,510	18,067,510
Write-down	-	-	-	-
Balance at end of financial year	-	-	18,067,510	18,067,510

Details on controlled entities are included in Note 26.

## Notes to the financial statements for the year ended 30 June 2009

### 16. Trade and other payables

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$	\$	\$	\$
Trade and other payables	568,923	528,096	341,461	369,088
Advances from controlled entities	-	-	683,153	209,552
	<u>568,923</u>	<u>528,096</u>	<u>1,024,614</u>	<u>578,640</u>

Trade creditors and other creditors are non interest bearing liabilities. Trade creditor payments are processed once they have reached 30 days from the date of invoice for electronic funds transfer payments or cheque payment or 30 days from the end of the month of invoice for other payments. No interest is charged on trade payables.

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

### 17. Provisions

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$	\$	\$	\$
<b>Current</b>				
Employee benefits – current	225,235	180,461	166,985	122,210
<b>Non-Current</b>				
Employee benefits – non-current	52,463	28,072	52,463	28,072

#### b. Defined contribution plans

The Group makes contributions to employee superannuation schemes, which are defined contribution plans. The amount recognised as an expense during the year was \$263,505 (2008: \$291,521).

#### c. Share based payments

Total expenses arising from share based payment transactions recognised during the period as part of employee benefit expenses was \$166,667 (2008: \$166,666).

### 18. Borrowings

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$	\$	\$	\$
<b>Current</b>				
Borrowings (related party, Note 30)	600,000	1,075,000	600,000	900,000
Hire Purchase liabilities	8,513	8,513	8,513	8,513
	<u>608,513</u>	<u>1,083,513</u>	<u>608,513</u>	<u>908,513</u>
<b>Non-Current</b>				
Hire Purchase liabilities	62,244	70,468	62,244	70,468

## Notes to the financial statements for the year ended 30 June 2009

### 18. Borrowings (Cont'd)

#### *Fair value disclosures*

The fair value of current borrowings approximates their carrying amount as the impact of discounting is not significant.

Fair values of long term financial liabilities are based on cash flows discounted using fixed effective market interest rates available to the Group.

No fair value changes have been included in profit or loss for the period as financial liabilities are carried at amortised cost in the balance sheet.

#### *Bank loans*

Bank loans are denominated in Australian dollars. The loan is secured by a floating charge over the Group's assets.

Bank overdraft, bank loans and bills of exchange bear interest at commercially negotiated rates. All bank borrowings are subject to adherence to gearing and interest covenants and are subject to annual review. The loan bears interest at the banks prime rates plus a margin payable monthly in arrears.

#### *Financing facilities available*

	<b>Consolidated 2009</b>	<b>Consolidated 2008</b>	<b>Company 2009</b>	<b>Company 2008</b>
	\$	\$	\$	\$
<b>Total facilities</b>				
- Bank overdraft	500,000	500,000	500,000	500,000
- Bank loans and hire purchase facilities	100,000	79,800	100,000	79,800
	600,000	579,800	600,000	579,800
<b>Facilities used at reporting date</b>				
- Bank overdraft	-	-	-	-
- Bank loans and hire purchase facilities	70,757	78,981	70,757	78,981
	70,757	78,981	70,757	78,981
<b>Facilities unused at reporting date</b>				
- Bank overdraft	500,000	500,000	500,000	500,000
- Bank loans and hire purchase facilities	29,243	819	29,243	819
	529,243	500,819	529,243	500,819
<b>Total facilities</b>				
- Facilities used at reporting date	70,757	78,981	70,757	78,981
- Facilities unused at reporting date	529,243	500,819	529,243	500,819
	600,000	579,800	600,000	579,800

#### *Bank overdrafts*

The bank overdrafts are secured by a floating charge over certain of the Group's assets, including its land and buildings.

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

## Notes to the financial statements for the year ended 30 June 2009

### 18. Borrowings (Cont'd)

#### Assets pledged as security

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$	\$	\$	\$
<b>Non-current</b>				
<i>Floating charge</i>				
- Plant and equipment	1,030,756	504,625	368,014	217,904
<b>Total assets pledged as security</b>	<b>1,030,756</b>	<b>504,625</b>	<b>368,014</b>	<b>217,904</b>

Under the arrangement of the hire purchase and bank borrowing facilities, all property, plant and equipment of the Group has been pledged as security. The holder of the security does not have the right to sell or re-pledge the assets.

Details of the Groups risk exposure arising from borrowings are provided in Note 27.

### 19. Issued capital

Issued Capital	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$	\$	\$	\$
Fully paid ordinary shares (no par value)	22,516,008	21,144,955	23,816,524	22,445,471
Total	22,516,008	21,144,955	23,816,524	22,445,471

#### a) Issued and fully paid-up ordinary shares

SUMMARY:	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$	\$	\$	\$
Balance at 1 July	21,144,955	20,893,237	22,445,471	22,193,753
Issues of Shares on DRP	361,053	251,718	361,053	251,718
Issue of shares to sophisticated investors	900,000	-	900,000	-
Bonus payment to K. Miller by issue of 25,000 shares at \$0.40 each	10,000	-	10,000	-
Repaid investor loan by issue of 250,000 shares at \$0.40 each	100,000	-	100,000	-
Position at 30 June	<b>22,516,008</b>	<b>21,144,955</b>	<b>23,816,524</b>	<b>22,445,471</b>

## Notes to the financial statements for the year ended 30 June 2009

### b) Movement in shares on issue

Movement in the shares on issue of the consolidated entity during the financial year are summarized below.

	Consolidated 2009		Consolidated 2008	
	Number of ordinary shares	Value \$	Number of ordinary shares	Value \$
Balance at the beginning of the financial year	27,676,856	21,144,955	27,275,000	20,893,237
Issued during the year:				
Issue of shares to sophisticated Investors at \$0.39 each	2,307,694	900,000	-	-
Issue of shares on DRP	933,630	361,053	401,856	251,718
Bonus payment to K. Miller by issue of shares at \$0.40 each	25,000	10,000	-	-
Repaid investor loan by issue of shares at \$0.40 each	250,000	100,000	-	-
Balance at end of financial year 30 June 2009	31,193,180	22,516,008	27,676,856	21,144,955

### (c) Movements in share options

Movement in the share options of the consolidated entity during the financial year are summarized below.

	2009	2008
	Number	Number
Balance at 1 July	2,000,000	2,000,000
Granted during the financial period	-	-
Exercised during the financial period	-	-
Lapsed during the financial period	-	-
Balance at the end of the financial period	2,000,000	2,000,000

### (d) Terms and conditions of issued capital

#### Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

The company does not have limited authorised capital and issued shares have no par value.

#### Options

The company has 2,000,000 options. The holders of the options are not permitted to exercise those options until after 19 October 2009.

## 20. Share option reserve

	Consolidated 2009	Consolidated 2008	Company 2008	Company 2007
	\$	\$	\$	\$
<b>Share option reserve</b>				
Balance at 1 July	282,402	115,736	282,402	115,736
Charged to revenue for the year	166,667	166,666	166,667	166,666
Balance at 30 June	449,069	282,402	449,069	282,402

The share-based payments reserve is used to recognise the fair value of options issued to employees but not exercised.

## Notes to the financial statements for the year ended 30 June 2009

### 21. Statement of cash flows

#### (a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments with terms of less than 90 days, net of outstanding bank overdrafts. Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$	\$	\$	\$
Cash at bank and on hand	1,175,708	591,200	442,268	28,699

#### b) Reconciliation of operating loss after income tax to net cash flows from operating activities:

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
	\$	\$	\$	\$
Net Profit after tax	1,033,926	1,199,460	1,295,513	1,289,582
<b>Non cash items:</b>				
Depreciation and amortisation expense	327,064	229,398	153,808	45,414
Loss on sale of fixed assets	-	29,194	-	29,194
Doubtful debts allowance	63,744	163,768	(30,156)	163,333
Share based payment	166,667	166,666	166,667	166,666
<b>Investing activities:</b>				
Dividend from subsidiaries	-	-	(1,725,500)	(1,440,000)
<b>Changes in assets and liabilities:</b>				
(Increase)/decrease in assets				
Trade and other receivables	(260,476)	(1,895,411)	(1,688,285)	(1,422,939)
Deferred tax assets	133,710	-	91,920	(28,133)
Increase/(decrease) in liabilities				
Trade and other payables	40,827	101,053	(27,626)	59,632
Tax	(308,492)	(188,155)	(15,960)	4,064
Provisions for employee entitlements	69,166	28,375	69,166	28,375
Cash flows from operations	1,266,136	(165,652)	(1,710,453)	(1,104,812)

#### c) Non cash financing : Investment activities

Acquisition of plant and equipment by finance leases	-	-	-	-
Acquisition of motor vehicles by means of finance leases	-	152,525	-	59,844
Total	-	152,525	-	59,844

## Notes to the financial statements for the year ended 30 June 2009

### 22. Business combinations

There were no business acquisitions during the year.

### 23. Subsequent event

Other than disclosed elsewhere in the financial statements of the Company, no other matter or circumstances has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Company, the results or the state of affairs of the Company.

### 24. Segment information

Segment information is not provided as the Company operates in one business segment being the short term cash loan industry and one geographical segment being Australia.

### 25. Contingent Liabilities

The Company has no contingent liabilities as at 30 June 2009.

### 26. Controlled entities

The consolidated financial statements incorporate the assets and liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1 (f).

Controlled entities of Money3 Corporation Limited (parent entity)

Name	Country of Incorporation	Percentage of equity held by the consolidated entity		Acquisition Date	Investment	
		2009	2008		2009	2008
					\$	\$
Money3 Ballarat Pty Ltd	Australia	100	100	1 November 2006	2	2
Money3 Dandenong Pty Ltd	Australia	100	100	1 November 2006	2	2
Money3 Franchising Pty Ltd	Australia	100	100	16 April 2007	2	2
Money3 Reservoir Pty Ltd	Australia	100	100	1 November 2006	2	2
Money3 Wodonga Pty Ltd	Australia	100	100	13 March 2008	2	2
Antein Pty Ltd (Glenroy)	Australia	100	100	1 July 2006	3,100,500	3,100,500
Bellavita Pty Ltd (Northcote)	Australia	100	100	1 July 2006	3,037,500	3,037,500
Hallowed Holdings Pty Ltd (Clayton)	Australia	100	100	1 July 2006	2,970,000	2,970,000
Kirney Pty Ltd (Coburg)	Australia	100	100	1 July 2006	483,750	483,750
Nexia Pty Ltd (Werribee)	Australia	100	100	1 July 2006	1,665,000	1,665,000
Pechino Pty Ltd (Frankston)	Australia	100	100	1 July 2006	1,687,500	1,687,500
Salday Pty Ltd (St Albans)	Australia	100	100	1 July 2006	483,750	483,750
Tannaster Pty Ltd (Moonee Ponds)	Australia	100	100	1 July 2006	2,898,000	2,898,000
Tristace Pty Ltd (Geelong)	Australia	100	100	1 July 2006	1,741,500	1,741,500
Total					<b>18,067,510</b>	<b>18,067,510</b>

All entities operated solely in their place of incorporation.

## Notes to the financial statements for the year ended 30 June 2009

### 27. Financial instruments

The Group is exposed to a variety of financial risks through its use of financial instruments.

This note discloses the Group's objectives, policies and processes for managing and measuring these risks.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Board of Directors ensures that the Group maintains a competent management structure capable of defining, analysing, measuring and reporting on the effective control of risk inherent in the Group's underlying financial activities and the instruments used to manage risk. Key financial risks including interest rate risk and credit risk are reviewed by management on a regular basis and are communicated to the board so that it can evaluate and impose its oversight responsibility. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to are described below. There have been no changes to these risks since the previous financial year.

#### Specific risks

- Market risk (including foreign currency risk, interest rate risk and price risk)
- Credit risk
- Liquidity risk

#### Financial assets / liabilities used

The principal categories of financial assets / liabilities used by Money3 Corporation Limited are:

- Trade receivables
- Cash at bank
- Bank borrowings
- Trade and other payables

#### Objectives, policies and processes

The risk management policies of Money3 Corporation Limited seek to mitigate the above risks and reduce volatility on the financial performance of the Group. Financial risk management is carried out centrally by the Finance Department of Money3 Corporation Limited.

#### Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The group overall strategy remains unchanged from 2008.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 18, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated profit as disclosed in Notes 19, 20 and 5 respectively. None of the Group's entities is subject to externally imposed capital requirements. Under the arrangement of the hire purchase and bank borrowing facilities, all property, plant and equipment of the Group has been pledged as security. The holder of the security does not have the right to sell or re-pledge the assets.

## Notes to the financial statements for the year ended 30 June 2009

### 27. Financial instruments (Cont'd)

#### Gearing ratio

The Group's Board of Directors reviews the capital structure on a semi-annual basis. As a part of this review the board considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the board the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

	Note	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
		\$	\$	\$	\$
<b>Financial assets</b>					
Debt (a)	18	(600,000)	(1,075,000)	(600,000)	(900,000)
Cash and cash equivalents	10	1,175,708	591,200	442,268	28,699
Net cash/(debt)		575,708	(483,800)	(157,732)	(871,301)
Equity	19	22,516,008	21,144,955	23,816,524	22,445,471
Net debt to equity ratio		3%	-2%	-1%	-4%

(a) Debt is defined as long-term and short-term borrowings, as detailed in Note 18.

#### (a) Market risk

##### (i) Foreign Currency Risk

Money3 Corporation Limited has no exposure to foreign currency risk.

##### (ii) Interest Rate Risk

The company's exposure to market interest rates relates primarily to the company's short term deposits held, deposits at call and borrowings. The interest income earned from these balances can vary due to interest rate change.

Money3 Corporation Limited's borrowings which have a variable interest rate attached give rise to cash flow interest rate risk.

Money3 Corporation Limited does not have a significant interest rate risk as its borrowing level is low. Interest rate risk is minimised by having a mixture of fixed and floating interest rate loan facilities.

The sensitivity analysis below have been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

## Notes to the financial statements for the year ended 30 June 2009

### 27. Financial instruments (cont'd)

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date. At 30 June 2009, if interest rates had moved, as illustrated in the table below, with all other variables held constant, pre tax profit and equity would have been affected as follows:

	Consolidated		Company	
	2009	2008	2009	2008
	Interest rate range		Interest rate range	
	From - To	From - To	From - To	From - To
Australian dollar interest rates	%	%	%	%
<i>Financial assets</i>				
Cash and cash equivalents	1.5 – 5%	5%	1.5 – 5%	5%
<i>Financial liabilities</i>				
Borrowings	10 – 13.25%	10 – 13.25%	10 – 13.25%	10 – 13.25%

A sensitivity of 1 per cent has been selected as this is considered reasonable given the current level of borrowings and represents management's assessment of the possible change in interest rates and historically is within a range of rate movements.

#### Interest Rate Sensitivity Analysis

	-1%		+1%	
	Profit	Equity	Profit	Equity
<b>Consolidated</b>				
<b>30 June 2009</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	(4,008)	(2,806)	4,008	2,806
<b>Financial Liabilities</b>				
Borrowings	9,324	6,527	(9,324)	(6,527)
<b>30 June 2008</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	(865)	(606)	865	606
<b>Financial Liabilities</b>				
Borrowings	7,329	5,130	(7,329)	(5,130)
<b>Company</b>				
<b>30 June 2009</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	(4,008)	(2,806)	4,008	2,806
<b>Financial Liabilities</b>				
Borrowings	7,574	5,302	(7,574)	(5,302)
<b>30 June 2008</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	(865)	(606)	865	606
<b>Financial Liabilities</b>				
Borrowings	7,329	5,130	(7,329)	(5,130)

## Notes to the financial statements for the year ended 30 June 2009

### 27. Financial instruments (cont'd)

#### (iii) Price Risk

Price risk is the risk that future cashflows derived from financial instruments will be changed as a result of a market price movement, other than interest rates. The company and group are not exposed to any material commodity price risk, other than those already described above.

#### (b) Credit risk

Credit risk is managed on the Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to outstanding receivables, net of any allowance for doubtful debts, as disclosed in the balance sheet and notes to the financial report.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The consolidated entity measures credit risk on a fair value basis.

The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics, given the number and diversity of debtors. Money3's core customers are financially challenged and generally have a bad credit history and are lacking in budgeting ability.

The management of Money3 manages credit risk by adopting the procedures and policies which:

- Assess each application on the borrowers capacity to service the loan;
- Match repayment dates to borrowers pay dates and pay cycles;
- Lend for short term;
- Where possible, obtain security on loans greater than \$5,000;
- Require repayment of loans by direct debit or pay deductions or during settlements;
- Implement prompt follow up when a repayment is missed;
- Have the ability to adjust repayments when customers face further financial difficulties; and
- Align debt collection processes with the Consumer Credit Code.

This strategy is consistent with the prior year.

#### (c) Liquidity risk analysis

Liquidity risk is the risk that the company and group will not be able to pay their debts as and when they fall due. The company has borrowings and finance lease liability; and the directors ensure that the cash on hand is sufficient to meet the commitments of the company and group at all times.

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. This strategy is consistent with the prior year.

Liquidity risk includes the risk that, as a result of our operational liquidity requirements Money3:

- will not have sufficient funds to settle a transaction on the due date;
- will be forced to sell financial assets at a value which is less than what they are worth;
- may be unable to settle or recover a financial asset at all.

To help reduce these risks, where possible Money3 will borrow long term and lend short term, maintain an overdraft facility and adequate cash reserves. The ratio of current borrowings to Current Debtors is considered to be low.

## Notes to the financial statements for the year ended 30 June 2009

### 27. Financial instruments (cont'd)

#### *Maturity of financial liabilities*

The consolidated and parent entity hold the following financial instruments. Amounts presented below represent the future undiscounted principal and interest cash flows.

2009	Consolidated			Total
	< 1 year	1-5 years	> 5 years	
	\$	\$	\$	\$
<b>Financial Liabilities:</b>				
Borrowings	600,000	-	-	600,000
Trade and other payables	568,923	-	-	568,923
Lease Liabilities	8,513	62,244	-	70,757
<b>Total Financial Liabilities</b>	<b>1,177,436</b>	<b>62,244</b>	<b>-</b>	<b>1,239,680</b>
2008	Consolidated			Total
	< 1 year	1-5 years	> 5 years	
	\$	\$	\$	\$
<b>Financial Liabilities:</b>				
Borrowings	1,075,000	-	-	1,075,000
Trade and other payables	528,096	-	-	528,096
Lease Liabilities	8,513	70,468	-	78,981
<b>Total Financial Liabilities</b>	<b>1,611,609</b>	<b>70,468</b>	<b>-</b>	<b>1,682,077</b>
2009	Parent			Total
	< 1 year	1-5 years	> 5 years	
	\$	\$	\$	\$
<b>Financial Liabilities:</b>				
Borrowings	600,000	-	-	600,000
Trade and other payables	341,461	-	-	341,461
Lease Liabilities	8,513	62,244	-	70,757
<b>Total Financial Liabilities</b>	<b>949,974</b>	<b>62,244</b>	<b>-</b>	<b>1,012,218</b>
2008	Parent			Total
	< 1 year	1-5 years	> 5 years	
	\$	\$	\$	\$
<b>Financial Liabilities:</b>				
Borrowings	900,000	-	-	900,000
Trade and other payables	369,088	-	-	369,088
Lease Liabilities	8,513	70,468	-	78,981
<b>Total Financial Liabilities</b>	<b>1,277,601</b>	<b>70,468</b>	<b>-</b>	<b>1,348,069</b>

The above contractual maturities reflect the gross cash flows, which may differ to the carrying values of the liabilities at the balance sheet date.

Also affecting liquidity are cash at bank and non interest bearing receivables and payables. Liquidity risk associated with these financial instruments is represented by the carrying amounts as shown above.

## Notes to the financial statements for the year ended 30 June 2009

### 27. Financial instruments (cont'd)

#### (d) Fair value estimation

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their net fair values.

The net fair values of financial assets and financial liabilities are determined as follows:

- the net fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the net fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow theory.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

### 28. Expenditure commitments

#### Operating leases

Operating leases relate to branch premises with lease terms of up to 5 years plus an option to extend a further 5 years. All operating leases contain market rent review clauses when an option to renew is exercised.

	Consolidated 2009 \$	Consolidated 2008 \$	Company 2009 \$	Company 2008 \$
<b>Lease expenditure commitments</b>				
<i>Operating leases (non-cancellable)</i>				
Minimum lease payments				
- not later than one year	688,957	370,834	275,786	-
- later than one year but not later than five years	687,794	473,719	356,851	-
Total minimum payments	1,376,751	844,553	632,637	-
<b>Hire purchase</b>				
Hire Purchase commitments				
- not later than one year	15,267	15,267	15,267	15,267
- later than one year but not later than five years	76,447	91,714	76,447	91,714
Total minimum payments	91,714	106,981	91,714	106,981
Hire purchase commitments relate to motor vehicle.				
Future finance charges	20,957	28,000	20,957	28,000
Recognised as liability	70,757	78,981	70,757	78,981
Representing lease liabilities				
Current (Note 18)	8,513	8,513	8,513	8,513
Non-Current	62,244	70,468	62,244	70,468
	70,757	78,981	70,757	78,981

## Notes to the financial statements for the year ended 30 June 2009

### 29. Auditors remuneration

	Consolidated 2009 \$	Consolidated 2008 \$	Company 2009 \$	Company 2008 \$
Amounts received or due and receivable by the auditors for:				
Auditing or reviewing the financial reports of the entity and any other entity in the consolidated entity	93,763	134,755	93,763	134,755
Other services in relation to the entity and any other entity in the consolidated entity	-	-	-	-
Total remuneration of auditors	93,763	134,755	93,763	134,755

### 30. Related party disclosures

(a) *Parent and ultimate controlling entity*

The parent and ultimate controlling entity is Money3 Corporation Limited which is incorporated and domiciled in Australia. The names and other information about subsidiaries is provided in Note 26.

(b) *Key management personnels' remuneration*

The aggregate compensation of the key management personnel of the consolidated entity and company is set out below:

Short term employee benefits	392,855	444,064	392,855	444,064
Post employment benefits	32,657	34,170	32,657	34,170
Other long term benefits	-	-	-	-
Share based payments	166,667	166,666	166,667	166,666
Total	592,179	644,900	592,179	644,900

(c) *Equity interests in controlled entities*

Details of the percentage of ordinary shares held in controlled entities are disclosed in Note 26 to the financial statements.

(d) *Loan disclosures*

The Company has an unsecured interest bearing loan of \$100,000 (2008: \$nil) from Mr Geoffrey Baldwin, the father of Mr Scott Baldwin (executive director) and brother of Mr Christopher Baldwin (non-executive director). The loan transaction was made on normal commercial terms and conditions and at market rates. Interest is charged at a commercial rate, which is currently below the Company's overdraft rate.

During part of the prior year the Company had an unsecured interest bearing loan of \$200,000 from each of the Directors, Robert Bryant and Kang Hong Tan. The total balance as at 30 June 2009 is \$nil (2008: \$400,000). The loan transactions were made on normal commercial terms and conditions and at market rates. Interest was charged at a commercial rate, which is currently below the Company's overdraft rate.

There are no loans made by the disclosing entity or any of its subsidiaries to any key management personnel, including their personally related entities.

**Notes to the financial statements  
 for the year ended 30 June 2009**

**30. Related party disclosures (Cont'd)**

*(e) Key management personnel equity holdings*

Details of key management personnel equity holdings of the Group, including their personally related parties are disclosed below. There were no shares granted during the reporting period as compensation.

	<b>Balance at 1 July 2008</b>	<b>Granted as remuneration</b>	<b>On exercise of options</b>	<b>Net change other</b>	<b>Balance as at 30 June 2009</b>
Robert Bryant	8,224,517	-	-	497,657	8,722,174
Kang Hong Tan	4,713,147	-	-	16,945	4,730,092
Christopher Baldwin	806,875	-	-	5,484	812,359
Scott Baldwin	-	-	-	827,810	827,810
Bettina Evert	3,201	-	-	383	3,584
<b>Total</b>	<b>13,747,740</b>	<b>-</b>	<b>-</b>	<b>1,348,279</b>	<b>15,096,019</b>

	<b>Balance at 1 July 2007</b>	<b>Granted as remuneration</b>	<b>On exercise of options</b>	<b>Net change other</b>	<b>Balance as at 30 June 2008</b>
Robert Bryant	8,131,625	-	-	92,892	8,224,517
Kang Hong Tan	4,638,125	-	-	75,022	4,713,147
Christopher Baldwin	767,125	-	-	39,750	806,875
Scott Baldwin	-	-	-	-	-
Bettina Evert	3,000	-	-	201	3,201
<b>Total</b>	<b>13,539,875</b>	<b>-</b>	<b>-</b>	<b>207,865</b>	<b>13,747,740</b>

**Notes to the financial statements  
 for the year ended 30 June 2009**

**30. Related party disclosures (Cont'd)**

(f) Options holdings over ordinary shares in Money3 Corporation Limited held during the financial year by each director of Money3 Corporation Limited and key management personnel of the consolidated entity, including their personally related parties are set out below.

	Balance as at 1 July 2008	Received as remuneration	Options exercised	Net change other	Balance as at 30 June 2009	Total exercisable and vested	Total options vested	Total options unvested
Robert Bryant	1,000,000	-	-	-	1,000,000	-	-	1,000,000
Kang Hong Tan	1,000,000	-	-	-	1,000,000	-	-	1,000,000
<b>Total</b>	<b>2,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>

	Balance as at 1 July 2007	Received as remuneration	Options exercised	Net change other	Balance as at 30 June 2008	Total exercisable and vested	Total options vested	Total options unvested
Robert Bryant	1,000,000	-	-	-	1,000,000	-	-	1,000,000
Kang Hong Tan	1,000,000	-	-	-	1,000,000	-	-	1,000,000
<b>Total</b>	<b>2,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>

(g) Other transactions with key management personnel

The financial statements include the following items of expenses that resulted from transactions other than compensation or equity holdings with key management personnel or their related entities:

	Consolidated 2009 \$	Consolidated 2008 \$
Interest paid to Robert Bryant	-	11,628
Interest paid to Kang Hong Tan	-	11,628
Interest paid to Geoffrey Baldwin	8,877	-
Accounting and taxation fees paid to Brown Baldwin Melbourne Pty Ltd (*)	16,886	19,542
	<u>25,763</u>	<u>42,798</u>

(\*) Christopher Baldwin is a director of Brown Baldwin Melbourne Pty Ltd

Transactions between the consolidated entity and these parties are conducted on normal commercial terms.

## Notes to the financial statements for the year ended 30 June 2009

### 30. Related party disclosures (Cont'd)

#### (h) Transactions within the wholly owned group

The wholly owned group includes:

- The ultimate parent entity in the wholly owned group and
- Wholly owned controlled entities.

	Consolidated 2009 \$	Consolidated 2008 \$	Company 2009 \$	Company 2008 \$
The following transactions occurred with related parties:				
Dividend received from related party	-	-	1,725,500	1,440,000
Management charges received from related party	-	-	2,670,000	2,500,000
Interest received from related party	-	-	-	-
Interest paid to related party	-	-	-	-
Total	-	-	4,395,500	3,940,000

Accounts receivable and payable from and to entities in the wholly owned group are disclosed in Notes 11 and 16 and relate to cash advances and expenses re-allocated to and from the parent. No provision for doubtful debts has been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts from related parties.

Outstanding balances are on-call and unsecured and are repayable in cash.

#### (i) Transactions with other related parties

Other related parties include:

- There are no other related party transactions

**A. ASX ADDITIONAL INFORMATION**

Additional information required by the Australian Stock Exchange and not shown elsewhere in this report is as follows. The information is current as at 31 August 2009.

**(a) Distribution of equity securities**

The number of shareholders, by size of holding, in each class of share are:

Distribution of Shareholdings	Ordinary Shares		Unlisted Options	
	Number of Holders	Number of Shares	Number of Holders	Number of Options
100,001 and Over	31	25,791,011	2	2,000,000
10,001 to 100,000	118	3,840,382	-	-
5,001 to 10,000	95	671,050	-	-
1,001 to 5,000	306	887,769	-	-
1 to 1,000	7	2,968	-	-
<b>Total</b>	<b>557</b>	<b>31,193,180</b>	<b>2</b>	<b>2,000,000</b>

The number of shareholders holding less than a marketable parcel of shares are:

10	6,363	-	-
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**(b) Twenty largest holders of quoted shares are:**

Name of Holder	Listed Ordinary Shares	
	No. of Shares	% of Holding
1. Cranchi Pty Ltd	4,288,000	13.75%
2. Cranchi Pty Ltd <S Superannuation Fund>	4,209,674	13.50%
3. Platey Pty Ltd	3,445,000	11.04%
4. Belstock Pty Ltd	2,383,125	7.64%
5. Quickdou Pty Ltd	1,344,067	4.31%
6. Kang Hong Tan & Hwea Chong Tan <Tan Superannuation Fund Ac>	1,190,022	3.82%
7. Baldwin Brothers Investments Pty Ltd <Inspiration Ac>	827,810	2.65%
8. Jagen Nominees Pty Ltd	654,555	2.10%
9. Veritas Holdings Pty Ltd	622,250	1.99%
10. Balmoor Pty Ltd	561,625	1.80%
11. Coolgleam Pty Ltd	544,125	1.74%
12. Matooka Pty Ltd <Mako Ac>	523,850	1.68%
13. Troy Bailey & Jennie Anne Opperman <Opperman Bailey S/F>	512,821	1.64%
13. Mrs Siang Yuet Neville	512,821	1.64%
14. Ecrooram Pty Limited <Superannuation Fund Ac>	500,000	1.60%
15. Ninth Nell Pty Ltd	457,431	1.47%
16. Tal-Trans Pty Ltd	446,230	1.43%
17. Ardmona Gold Pty Ltd	308,125	0.99%
18. Mr Wayne Hosking & Miss Bernadette Williams <The Hosking Super Fund Ac>	265,528	0.85%
19. Wai Fun Yuen	256,410	0.82%
20. Graeme Wood & Carol Wood <G H & C A Wood Unit Ac>	240,125	0.77%
<b>Top twenty shareholders</b>	<b>24,093,574</b>	<b>77.24%</b>
<b>Total issued capital</b>	<b>31,193,180</b>	<b>100.00%</b>

**(c) Substantial shareholders**

The names of the substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	<b>No. of Shares</b>	<b>% Held</b>
Cranchi Pty Ltd	8,497,674	27.25%
Platey Pty Ltd	3,445,000	11.04%
Belstock Pty Ltd	2,383,125	7.64%

**(d) Voting rights**

The company only has ordinary shares on issue.

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

**(e) Option holders information**

The Company has issued (or may issue in the future) Options over unissued capital. The Company has a total of 2,000,000 (2008: 2,000,000) options on issue as follows:

*Director Options*

The Company has issued a total of 2,000,000 options (2008: 2,000,000 options) to the Directors (or their nominees) ("Director Options").

1,000,000 options (2008: 1,000,000 options) each have been issued to Mr Robert Bryant and Mr Kang Hong Tan. The Director Options have the following terms:

- issue date of 1 July 2006
- exercise price: \$1.20 per option.
- the options vest in full on 19 October 2009 or at anytime when an event occurs which give rise to a change in control of the Company.
- the options are not transferable and expire 30 June 2011 and may be exercised at any time between vesting and expiry date.
- if the Company after having granted these options restructure its issued share capital, ASX Listing Rules will apply to the number of Shares issued to the option holder on exercise of an option.
- options will not be listed on ASX but application will be made for quotation of the shares resulting from the exercise of the options.
- on issue of the resulting shares, they will rank equally with ordinary shares on issue at that time.

**(f) On-market buy-back**

There is no current on-market buy-back of the Company's securities