

# MONEY3 CORPORATION LIMITED

(ACN 117 296 143)

## HALF YEAR FINANCIAL REPORT

31 December 2006

Registered Office and  
Principal Place of business:

Level 1, 373-375 St Georges Road  
North Fitzroy VIC 3068

## APPENDIX 4D

## Half Year Report to the Australian Stock Exchange

Name of Entity	Money3 Corporation Limited
ABN	63 117 296 143
Half Year Ended	31 December 2006
Previous Corresponding Reporting Period	The Company was incorporated on 25 November 2005 and accordingly there is no corresponding period.

## Results for Announcement to the Market

	\$	Percentage increase / (decrease) over previous corresponding period
Revenue from ordinary activities	2,680,981	N/A
Profit from ordinary activities after tax attributable to members	358,989	N/A
Net profit for the period attributable to members	358,989	N/A
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	N/A	N/A
Interim Dividend	1.3 cents	1.3 cents
Record date for determining entitlements to the dividends (if any)	16 March 2007	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
For an explanation of revenue and profit from continuing operations, see commentary on results included in the accompanying half year report.		

**Dividends**

Date the dividend is payable	30 March 2007
Record date to determine entitlement to the dividend	16 March 2007
Amount per security	1.3 cents
Total dividend	\$354,575
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

**NTA Backing**

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security (cents per share)	24.5	N/A

**Control Gained Over Entities Having Material Effect**

Name of entity (or group of entities)	9 Money3 Trading Companies
Date control gained	1 July 2006
Profit / (loss) from ordinary activities after tax of the controlled entity since the date in the current period on which control was acquired.	\$277,929
Profit / (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period.	N/A

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

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

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

For foreign entities provide details of which accounting standards have been adopted (e.g. International Accounting Standards)

N/A

### Audit/Review Status

This report is based on accounts to which one of the following applies:

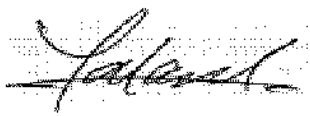
(Tick one)

The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
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If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification: N/A

### Attachments Forming Part of Appendix 4D

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

Signed By (Director/Company Secretary)	
Print Name	Kang Hong Tan
Date	28 February 2007

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**COMMENTARY ON RESULTS FOR THE HALF YEAR TO DECEMBER 2006**


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**Highlights**

The Directors of Money3 Corporation Limited (MNY) are pleased to:

- ⇒ report strong growth in gross revenue - up 39% on half year from the recently acquired Money3 Trading Companies;
- ⇒ report Profit before income tax of \$568,239;
- ⇒ report 74.3% increase of Loan Book from \$3.5M at 1 July 2006 to \$6.1M at 31 December 2006;
- ⇒ declare the successful transition to a Publicly Listed Company with a net cash position of \$2.3M;
- ⇒ announce a maiden interim dividend of 1.3 cents fully franked; and
- ⇒ forecast a final dividend of 3 cents per share.

**Half Year Results**

Money3 Corporation Limited was listed on the ASX on 19 October 2006 and as such had the use of the \$4.6M raised for just over 2 months.

As stated in the Prospectus three new branches were to be opened with proceeds from the Capital Raising, and the balance used for working capital and increasing the Loan Book. Two of the new branches were opened in November 2006, while the Loan Book increased by \$2.5M.

<b>Consolidated Financial Information</b>	<b>Gross Fees</b>	<b>Adjusted for Deferred revenue</b>	<b>Revenue recognised for the period</b>
	\$	\$	\$
(a). Notional aggregated, year ended 30 June 2006 as disclosed in the Prospectus dated 7 August 2006 – (Notional)	5,046,521	(263,355)	4,783,166
(b). Condensed consolidated half year ended 31 December 2006	3,505,525	(824,544)	2,680,981
(c). Annualised gross fees – based on half year ended 31 December 2006	7,011,050	-	-
(d). Increase in (c), Annualised compared to (a), Notional	39%	-	-

During the half year ended 31 December 2006, Money3 has generated gross fees of \$3,505,525. The 39% increase to \$3,505,525 in fees has been achieved mainly from the 9 branches that were acquired on 1 July 2006 and in the new loan products of 6 to 24 months period. (This increase in fees is based on the notional aggregated revenue of the Money3 Trading Companies for the year to 30 June 2006 as disclosed in the Prospectus dated 7 August 2006) The two new branches would not be profitable for several months.

One off expenses as a result of the Listing such as the Discounted Employee Share Purchase (\$80,000), extra advertising (\$100,000) to launch new loan products and the opening of new branches (\$40,000) had an obvious impact on profit as well.

**COMMENTARY ON RESULTS FOR THE HALF YEAR TO DECEMBER 2006**

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With Money3's revenue accounting policy, which is to recognise fees charged on revenue over the period of loan, and an increase in one and two year loans, revenue of \$824,544 was deferred to future periods.

The directors are very pleased to post a profit before tax of \$568,239, with current cash balance at \$2,362,539 and total current assets of \$8,496,892.

**Future**

Other than the new branch that opened in Ballarat on 15 February 2006, all branches will be trading profitably by June 2007. Revenue from new branches are exceeding expectation while Coburg and St Albans which opened in Nov 2005 will contribute significantly to profit.

**Dividend**

We believe that the last six months has laid the foundation from which Money3 will grow. With all the surprises from the float and initial expenses behind us the directors are pleased to report a strong financial position and as such announce an interim fully-franked dividend of 1.3 cents per share payable on the 30 March 2007 to shareholders registered at 5.00pm on 16 March 2007.

**DIRECTORS' REPORT**

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Your Directors present their report on the Consolidated Entity consisting of Money3 Corporation Limited and the entities it controlled at the end of the half year ended 31 December 2006.

**Directors**

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

Bettina Evert BA LLB MAICD - Chairman and Non-Executive Director

Robert James Bryant – Chief Executive Officer and Executive Director

Kang Hong Tan ACA (UK) PNA (Aust) – Chief Financial Officer and Executive Director

Christopher James Baldwin CPA – Company Secretary and Non-Executive Director

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

**Results of operations**

The net profit for the period was \$358,989.

**Review of operations**


A review of operations of the Consolidated Entity is given on pages 5 and 6.

**Auditor's independence declaration**

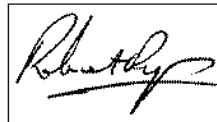
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 8.

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

On behalf of the directors,



Bettina Evert  
Chair



Robert Bryant  
Executive Director

Melbourne  
28 February 2007



Chartered Accountants  
& Business Advisers

28 February 2007

Board of Directors  
Money3 Corporation Limited  
Level 1  
373-375 St Georges Road  
NORTH FITZROY VIC 3068

Dear Directors

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead engagement partner for the review of Money3 Corporation Limited for the half-year ended 31 December 2006 I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the independence requirements of the Corporations Act in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

**PKF**  
Chartered Accountants

**D J Garvey**  
Partner

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

	<b>For the six months ended 31 December 2006</b>	For the one month ended 31 December 2005
	\$	\$
<b>Revenue</b>	2,680,981	-
Other income	43,306	-
<b>Total revenue</b>	<u>2,724,287</u>	-
<b>Expenses from operating activities:</b>		
General and administration	220,673	-
Employment	994,861	-
Advertising and sales	251,945	-
Occupancy costs	202,830	-
Bad debts	354,769	-
Other expenses	47,887	-
Depreciation and amortisation	72,639	-
Interest expenses	10,444	-
<b>Profit/(Loss) before income tax expense</b>	<u>568,239</u>	-
Income tax expense	<u>209,250</u>	-
<b>Net profit/(loss) attributable to members</b>	<u>358,989</u>	-
<b>Earnings per share (cents per share)</b>		
Basic profit/(loss) from continuing operations	1.49 cents	-
Diluted profit/(loss) from continuing operations	1.47 cents	-

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

**CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2006**

	31 December 2006 \$	(i) 30 June 2006 \$
<b>Current assets</b>		
Cash and cash equivalents	2,362,539	6,800
Trade and other receivables	6,134,353	398,125
Other assets	-	127,362
<b>Total current assets</b>	<u>8,496,892</u>	<u>532,287</u>
<b>Non-current assets</b>		
Trade and other receivables	33,248	-
Property, plant & equipment	764,074	32,258
Intangible assets	56,000	16,000
Deferred tax assets	282,953	-
Goodwill	15,103,725	-
<b>Total non-current assets</b>	<u>16,240,000</u>	<u>48,258</u>
<b>Total assets</b>	<u>24,736,892</u>	<u>580,545</u>
<b>Current Liabilities</b>		
Trade and other payables	485,853	176,046
Deferred revenue	1,782,183	-
Borrowings	-	450,000
Hire purchase	37,434	-
Current tax payables	520,967	-
Provisions	63,732	-
<b>Total current liabilities</b>	<u>2,890,169</u>	<u>626,046</u>
<b>Non-current liabilities</b>		
Provisions	15,000	-
<b>Total non-current liabilities</b>	<u>15,000</u>	<u>-</u>
<b>Total current liabilities</b>	<u>2,905,169</u>	<u>626,046</u>
<b>Net assets</b>	<u>21,831,723</u>	<u>(45,501)</u>
<b>Equity</b>		
Issued Capital	20,871,033	20
Reserves	71,429	-
Accumulated profit/(losses)	889,261	(45,521)
<b>Total equity</b>	<u>21,831,723</u>	<u>(45,501)</u>

(i) The comparative figures are of the parent entity only and the Company was incorporated on 25 November 2005.

The condensed consolidated balance sheet should be read in conjunction with the attached notes.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

	Issued capital	Retained earnings	Reserves	Total equity
	\$	\$	\$	\$
Opening balance at 30 June 2006	20	(45,521)	-	(45,501)
<b>Opening balance restated at 1 July 2006 as a result of adopting reverse acquisition under A-IFRS</b>	4	530,272	-	530,276
Total recognised income and expense for the period	-	358,989	-	358,989
Transaction with shareholders in their capacity as shareholders:				
Fair value of shares issued pursuant to the acquisition of Money3 Trading Companies	16,767,000	-	-	16,767,000
Issue of shares to the public	4,500,000	-	-	4,500,000
Issue of shares to employees	100,000	-	-	100,000
Discount on shares issued to employees	80,000	-	-	80,000
Increase in equity compensation reserve	-	-	71,429	71,429
Initial public offer cost	(789,001)	-	-	(789,001)
Transfer to deferred tax reserve	213,030	-	-	213,030
<b>Closing balance at 31 December 2006</b>	<b>20,871,033</b>	<b>889,261</b>	<b>71,429</b>	<b>21,831,723</b>

	Issued capital	Retained earnings	Other reserves	Total equity
	\$	\$	\$	\$
Balance at 25 November 2005	3	-	-	3
Balance at 31 December 2005	3	-	-	3

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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

	For the six months ended 31 December 2006 \$	For the one month ended 31 December 2005 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	1,246,027	-
Payments to suppliers and employees	(1,639,448)	-
Interest received	43,306	-
Interest paid	(10,444)	-
Tax paid	(80,638)	-
<b>Net cash used in operating activities</b>	<b>(441,197)</b>	<b>-</b>
<b>Cash flows from investing activities</b>		
Payment for property, plant and equipment	(212,883)	-
Payment for purchase of business combination, net of cash acquired	(452,070)	-
Payment for Computer System	(40,000)	-
<b>Net cash used in investing activities</b>	<b>(704,953)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	4,600,000	3
Payments – IPO expenses	(664,319)	-
Proceeds from borrowings	43,901	-
Repayment of borrowings	(27,693)	-
Repayment of Directors' loans	(450,000)	-
<b>Net cash provided by financing activities</b>	<b>3,501,889</b>	<b>3</b>
<b>Net increase in cash held</b>	<b>2,355,739</b>	<b>3</b>
<b>Cash at the beginning of the period</b>	<b>6,800</b>	<b>-</b>
<b>Cash at the end of the period</b>	<b>2,362,539</b>	<b>3</b>

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

**SELECTED EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006****INTRODUCTION**

The condensed consolidated half year financial report covers Money3 Corporation Limited and its controlled entities.

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

This half year condensed consolidated financial report has been prepared in accordance with the Accounting Standard AASB 134 *Interim Financial Reporting* and is to be read in conjunction with the financial report for the period ended 30 June 2006. It is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and the Corporations Act.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRS). Compliance with the Australian equivalents to IFRS (AIFRS) ensures that the half year financial report complies with International Financial Reporting Standard, including AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements.

The half year financial report does not include notes of the type normally included in an annual financial report. The following is a summary of the material accounting policies adopted in the preparation of the above financial information. The accounting policies stated below have been consistently applied in the periods presented.

**(a) Principles of consolidation**

A controlled entity is an entity controlled by Money3. Control exists where Money3 has the capacity to control the decision making in relation to the financial and operating policies of another entity, so that the other entity operates with Money3 to achieve the objectives of Money3. As Money3 Corporation Limited (as the legal parent) acquired the 9 Money3 Trading Companies on 1 July 2006, the shareholders of the Money3 Trading Companies obtained control of the Money3 Group. Accordingly, the transaction is accounted for as a reverse acquisition under A-IFRS. The Directors of Money3 have nominated Money3 Glenroy as the acquirer.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses have been eliminated on consolidation.

Where controlled entities have left or entered the economic entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

Outside interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

**(b) Going concern**

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.

**(c) 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, net of outstanding bank overdrafts.

**(d) Trade and other receivables**

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

**SELECTED EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

**(e) Impairment of assets**

At each reporting date, the Company reviews the carrying amounts of its non-current 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 Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite useful lives and intangibles assets not yet available for use are tested for impairment annually and wherever there is an indication that the assets may be impaired. An impairment of goodwill is not subsequently reversed.

**(f) 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.

**(g) Property, plant and equipment**

Property, plant and equipment are recorded at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a diminishing value basis over the expected useful life of the asset as follows:

The depreciation rates used for each class of depreciable assets are as follows:

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

SELECTED EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006

**(h) Intangible Assets**

Intangible assets acquired are capitalised at cost. Following initial recognition, the cost model is applied to the class of intangible assets. The useful life of these intangible assets is assessed to be finite. Where amortisation is charged on assets with finite lives, this expense is taken to the income statement.

**(i) Trade and other payables**

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

**(j) Provisions**

Provisions are recognised when the Company has a present obligation (legal, equitable or constructive) as a result of a present or past events, 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.

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.

**(k) 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.

**(l) Revenue recognition**

Revenue is recognised at the fair value of the consideration received net of the amount of Goods and Services Tax (GST) payable to the taxation authority. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. When the outcome of a contract to provide a service can be reliably measured, revenue is recognised by reference to the percentage of the services provided. Any revenue invoiced in advance is deferred and recognised in the income statement over the period of service.

**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 the shareholders' right to receive the payment is established.

**(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.

**SELECTED EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006****(n) Income tax**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Unused tax losses will be available in the period that they are utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**(o) 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.

**(p) Earnings per share****(i) 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.

**(ii) 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.

**(q) New accounting standards and UIG interpretations**

All the new and revised Accounting Standards and UIG Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for the annual reporting period beginning on 1 July 2005 have been adopted by Money3 Corporation Limited. The directors have given due consideration to new and revised standards and interpretations issued by the AASB that are not yet effective and do not believe they will have any material financial impact on the financial statements of the Company.

**(r) Comparative**

The comparative figures are of the parent entity only.

**SELECTED EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

**(s) Employee Benefits**

Provision is made for the liability for employee benefits arising from services rendered by employees at balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Employee contributions are made to a defined contribution superannuation funds and are charged as expenses when incurred.

**(t) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the economic entity, are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a diminishing value basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they occur.

**NOTE 2. Acquisitions and issue of shares**

(i) On 1 July 2006 the Money3 Corporation Limited acquired 100% of the issued capital of 9 Money3 Trading Companies. These Money3 Trading Companies provide financial services across Melbourne and Geelong, primarily specialising in small cash loans between \$100 and \$5,000, cheque cashing and international money transfer.

Under each of the acquisition contracts, the Company has issued the Vendors shares in consideration for the transfer to the Company of the entire issued capital of each of the 9 Money3 Trading Companies. Details of the number of shares issued are as follows:

<b>Money3 Trading Companies</b>	<b>Number of Shares</b>
Antein Pty Ltd (Glenroy)	3,445,000
Nexia Pty Ltd (Werribee)	1,850,000
Kirney Pty Ltd (Coburg)	537,500
Salday Pty Ltd (St Albans)	537,500
Pechino Pty Ltd (Frankston)	1,875,000
Bellavitta Pty Ltd (Northcote)	3,375,000
Hallowed Holdings Pty Ltd (Clayton)	3,300,000
Tannaster Pty Ltd (Moonee Ponds)	3,220,000
Tristace Pty Ltd (Geelong)	1,935,000
<b>Total</b>	<b><u>20,075,000</u></b>

The acquisition of the Money3 Trading Companies has resulted in the shareholders of Money3 Trading Companies gaining control of Money3 Corporation Limited. Accordingly, the transaction is accounted for as a reverse acquisition under A-IFRS. In accordance with AASB 3 "Business Combination", when a business combination involves more than two entities, one of the combining entities that existed before the combination shall be identified as the acquirer. The Directors of Money3 have nominated Antein Pty Ltd, trading as Money3 Glenroy as the acquirer.

As the acquisition occurred on 1 July 2006, the revenue and net profit of the combined entity for the half year ended 31 December 2006 is inclusive of the trading results of the 9 Money3 Trading companies.

**SELECTED EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

**NOTE 2. Acquisitions and Issue of shares** (continued)

The fair value of the identifiable net tangible assets of Money3 and the Money3 Trading Companies notionally acquired by Money3 Glenroy are represented by the following purchase consideration:

The revenue and net profit of the 8 Money3 Trading companies and Money3 Corporation Limited notionally acquired by Money3 Glenroy included in the consolidated results for the half year are \$1,417,382 and \$277,929 respectively.

<b>Purchase Consideration:</b>	\$
Notional issue of shares in Money3 Glenroy to the Vendors of Money3 and the other eight Money3 Trading Companies. The fair value of shares issued by Money3 Glenroy has been based on \$0.90 per share, which equated to the offer price under the Company's prospectus.	
<b>Total</b>	<u>16,767,000</u>
 <b>Net Tangible Assets Acquired (at fair value):</b>	
Cash and cash equivalents	475,685
Trade and other receivables	3,544,441
Plant and equipment	490,480
Other assets – current and non-current	407,707
Trade and other payables and deferred revenue	(1,456,387)
Employee entitlements (current and non-current)	(52,425)
Borrowings - current	(1,021,226)
<b>Total</b>	<u>2,388,275</u>
 <b>Goodwill on Acquisition</b>	
Goodwill	<u>14,378,725</u>
<b>Total</b>	<u>16,767,000</u>

The goodwill on acquisition represents the premium paid for entry into the market, and the expertise and knowledge of the company's employees. The initial amounts for this business combination have been determined only provisionally due to the acquisition only occurring in the current period.

(ii) On 18 November 2006 Money3 Dandenong Pty Ltd, an entity controlled by the Company acquired the business of Money Plus Dandenong. Its results for the period 18 November 2006 to 31 December 2006 has been consolidated in this report. Goodwill on acquisition represents the premium paid for entry into the market.

The revenue and net profit of the Money3 Dandenong Pty Ltd included in the consolidated results for the half year are \$79,223 and \$29 respectively.

For the half year report, the directors do not consider it practical to estimate what consolidated revenue and profit for the half year ended 31 December 2006 would have been if the acquisition had occurred on 1 July 2006, as the company that owned the business and assets had previously been unaudited.

The fair value of the identifiable net tangible assets of Money Plus Dandenong acquired are represented by the following purchase consideration:

	\$
<b>Purchase Consideration – cash</b>	<u>1,046,178</u>
 <b>Net Tangible Assets Acquired (at fair value):</b>	
Cash and cash equivalents	11,146
Trade and other receivables	235,032
Plant and equipment	75,000
<b>Sub total</b>	<u>321,178</u>
 <b>Goodwill on Acquisition</b>	
Goodwill	<u>725,000</u>
<b>Total</b>	<u>1,046,178</u>

**SELECTED EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

**NOTE 3. Initial Public Offer**

On 7 August 2006 the Company issued a prospectus to raise \$2.25million with the ability to accept over-subscriptions of up to a further \$2.25 million at a price of 90 cents per share. Under the prospectus the Company also offered to employees the opportunity to subscribe for shares in the Company of up to \$100,000 at a price of 50 cents per share. Both offers closed on 6 October 2006 over-subscribed.

The Company, having satisfied all of the Australian Stock Exchange (ASX) requirements for admission to the Official List of the ASX, was listed on 19 October 2006.

**NOTE 4. Contributed equity**

	31 December 2006		30 June 2006	
	shares	\$	shares	\$
<b>Issued and paid-up ordinary share capital</b>				
Balance at the beginning of the period	2,000,000	20	3	3
Shares issued during the period:				
- to acquire Money3 Trading Companies	20,075,000	16,766,984	-	-
- to the public	5,000,000	4,500,000	-	-
- to employees	200,000	180,000	17	17
	<u>27,275,000</u>	<u>21,447,004</u>	<u>20</u>	<u>20</u>
Subdivided 20 shares to 2,000,000 shares	-	-	2,000,000	20
Transaction cost relating to share issues		(789,001)		
Deferred tax assets	-	213,030	-	-
	<u>27,275,000</u>	<u>20,871,033</u>	<u>2,000,000</u>	<u>20</u>

**NOTE 5. Dividends**

Since the end of the half year, the directors have declared the payment of an interim dividend of 1.3 cents per share (2005 - nil), fully franked. The aggregate amount of the proposed dividend expected to be paid on 30 March 2007 out of retained profits at that date, but not recognised as a liability at the end of half year is \$354,575 (2005 - nil).

**NOTE 6. Segment information**

This segment information does not apply as Money3 Corporation Limited and group entities predominantly operates in the financial services sector in Australia.

**NOTE 7. Contingent liabilities**

The Company has no contingent liabilities as at 31 December 2006.

**NOTE 8. Subsequent events**

The Company opened its twelfth branch in Ballarat on 15 February 2007.

**DIRECTORS DECLARATION**

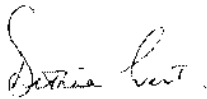
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The Directors of Money3 Corporation Limited declare that they are of the opinion that:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
- I. complying with Accounting Standards AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
  - II. giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and the performance for the half year ended on that date.
- (b) At the date of this declaration there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors.



Bettina Evert  
Chair



Robert Bryant  
Executive Director

Melbourne  
28 February 2007



Chartered Accountants  
& Business Advisers

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Money3 Corporation Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Money3 Corporation Limited ("Money3 Corporation"), which comprises the condensed consolidated balance sheet as at 31 December 2006, the condensed consolidated income statement, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the half year ended on that date, a summary of significant accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising Money3 Corporation and the entities it controlled at 31 December 2006 or from time to time during the half year ended in that date.

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

The directors of Money3 Corporation are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of Money3 Corporation's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

As the auditor of Money3 Corporation, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Independence*

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



Chartered Accountants  
& Business Advisers

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Money3 Corporation is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of Money3 Corporation's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

A handwritten signature of the PKF firm, written in dark ink.

PKF  
Chartered Accountants

A handwritten signature in cursive script, reading 'David Garvey'.

D J Garvey  
Partner

28 February 2007  
Melbourne