

MONEY3 CORPORATION LIMITED

(ACN 117 296 143)

PRELIMINARY FINAL REPORT

30 June 2007

APPENDIX 4E

Registered Office and
Principal Place of business:

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

COMMENTARY ON RESULTS FOR THE YEAR ENDED JUNE 2007

Highlights

At the completion of the first year as a public listed company the Directors of Money3 Corporation Limited (MNY) are pleased to present a solid foundation on which to build:

- ⇒ Gross Revenue Of \$6.4M;
- ⇒ Net Profit before tax of \$1.7M;
- ⇒ Net Profit after tax of \$1.21M;
- ⇒ Increase of Loan Book from \$3.6M at 1 July 2006 to \$7.4M at 30 June 2007; and
- ⇒ Appointment of John Morris as CEO.

Full Year Results

Money3 Corporation Limited was listed on the ASX on 19 October 2006. In a new and challenging environment the Board is pleased with the results generated in the year of transition. The results are in line with the Prospectus dated 7 August 2006 and the Board is confident in its plans for future growth.

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 third was opened in March 2007, and Loan Book increased by \$3.76M.

Net Profit after tax was \$1,212,121.

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.

Loan Statistics

Total number of loans processed for the year was 33,662 for total loans of \$16.5M.

Future

With all 12 branches now trading profitably the contribution to profit from all branches will positively impact next year's results. The Loan Referral Centre which manages the larger loans sourced from various brokers including our branch network has settled over \$1.5M since March 07 and will drive the company's growth

Former GE Finance and Insurance and AVCO General Manager John E Morris was appointed CEO of Money3 commencing 6th August 2007. John's experience in consumer finance, large branch network and systems management is a perfect fit with our needs and his impact is already being felt across the company.

The board is confident in the skills and experience of John Morris to implement our expansion plans including acquisition, branch opening and franchising along with new products such as larger consumer loans and personal and property insurances.

APPENDIX 4E

Preliminary Final Report to the Australian Stock Exchange

Name of Entity	Money3 Corporation Limited
ABN	63 117 296 143
Year Ended	30 June 2007
Previous Corresponding Reporting Period	The Company was incorporated on 25 November 2005 and accordingly there is no corresponding period. For further explanation regarding reverse acquisition of Money3 Trading Companies, refer to Note 1(b) of the financial statement.

Results for Announcement to the Market

	\$	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	\$6,399,819	N/A
Profit from ordinary activities after tax attributable to members	\$1,212,121	N/A
Net profit for the period attributable to members	\$1,212,121	N/A
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	-	-
Interim Dividend	1.3 cents	1.3 cents
Record date for determining entitlements to the dividends (if any)	-	
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 preliminary final report.		

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
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)	25.6	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.	\$1,282,350
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

The accounts are in the process of being audited

✓

If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification: N/A

Attachments Forming Part of Appendix 4E

Attachment #	Details
1	Income Statement
2	Condensed Balance Sheet
3	Statement of Changes in Equity
4	Condensed Cash Flow Statement
5	Notes to the Preliminary Final Report

Signed By (Director/Company Secretary)	
Print Name	Kang Hong Tan
Date	31 August 2007

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	Consolidated	(i) Consolidated
	Year ended	Year ended
	30 June 2007	30 June 2006
	\$	\$
Continuing Operations		
Revenue	6,325,346	831,332
Other income	74,474	-
Total revenue	<u>6,399,820</u>	<u>831,332</u>
Expenses from operating activities:		
Administration	959,569	18,142
Employment	2,109,306	221,265
Advertising and sales	398,873	22,978
Occupancy costs	442,367	20,095
Bad debts	573,637	88,914
Depreciation and amortisation	190,371	19,174
Interest expenses	10,568	5,367
Profit before tax	<u>1,715,129</u>	<u>435,397</u>
Income tax expense	<u>503,008</u>	<u>140,199</u>
Net profit attributable to members	<u><u>1,212,121</u></u>	<u><u>295,198</u></u>
Earnings per share (cents per share)		
Basic profit/(loss) from continuing operations	4.71 cents	
Diluted profit/(loss) from continuing operations	4.47 cents	

(i) The comparative figures are of the accounting acquirer, Money3 Glenroy (Refer to Note 1(b) and Note 2).

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

CONDENSED BALANCE SHEET
AS AT 30 JUNE 2007

	Consolidated	(i) Consolidated
	30 June 2007	30 June 2006
	\$	\$
Current assets		
Cash and cash equivalents	893,328	114,077
Trade and other receivables	7,368,997	636,960
Other assets	62,459	72,583
Total current assets	<u>8,324,784</u>	<u>823,620</u>
Non-current assets		
Trade and other receivables	693,538	-
Property, plant & equipment	940,594	73,140
Intangible assets	63,000	-
Deferred tax assets	312,683	-
Goodwill	15,323,487	-
Total non-current assets	<u>17,333,302</u>	<u>73,140</u>
Total assets	<u>25,658,086</u>	<u>896,760</u>
Current Liabilities		
Trade and other payables	427,100	115,112
Deferred revenue	1,908,330	143,106
Borrowings	-	-
Hire purchase	34,037	-
Current tax payables	743,604	140,199
Other Provisions	158,534	-
Total current liabilities	<u>3,271,605</u>	<u>398,417</u>
Non-current liabilities		
Provisions	21,623	-
Total non-current liabilities	<u>21,623</u>	<u>-</u>
Total current liabilities	<u>3,293,228</u>	<u>398,417</u>
Net assets	<u>22,364,858</u>	<u>498,343</u>
Equity		
Issued Capital	20,893,237	4
Share Option Reserves	115,736	-
Accumulated profit/(losses)	1,355,885	498,339
Total equity	<u>22,364,858</u>	<u>498,343</u>

(i) The comparative figures are of the accounting acquirer, Money3 Glenroy (Refer to Note 1(b) and Note 2).

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2007

	Issued capital \$	Retained earnings \$	Reserves \$	Total equity \$
Opening balance restated at 1 July 2006 as a result of adopting reverse acquisition under A-IFRS	4	498,339	-	498,343
Total recognised income and expense for the period	-	1,212,121	-	1,212,121
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	-	-	115,736	115,736
Initial public offer cost	(796,527)	-	-	(796,527)
Transfer to deferred tax reserve	242,760	-	-	242,760
Dividend paid	-	(354,575)	-	(354,575)
Closing balance at 30 June 2007	20,893,237	1,355,885	115,736	22,364,858

(i)	Issued capital \$	Retained earnings \$	Reserves \$	Total equity \$
Balance at 1 July 2005	4	629,141	-	629,145
Profit for the period	-	295,198	-	295,198
Transaction with shareholders in their capacity as shareholders: Dividend paid	-	(426,000)	-	(426,000)
Balance at 30 June 2006	4	498,339	-	498,343

(i) The comparative figures are of the accounting acquirer, Money3 Glenroy (Refer to Note 1(b) and Note 2).

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

**CONDENSED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007**

	Year ended 30 June 2007	(i) Year ended 30 June 2006
	\$	\$
Cash flows from operating activities		
Receipts from customers	6,318,428	829,942
Payments to suppliers and employees	(3,656,135)	(233,023)
Interest received	74,474	-
Interest paid	(10,568)	(5,367)
Income Tax paid	(151,758)	(144,895)
	2,574,441	446,657
<i>(Increase) decrease in operating assets:</i>		
Net funds advanced to and repayments from customers for loans	(3,476,485)	(48,635)
Net cash used in operating activities	(902,044)	398,022
Cash flows from investing activities		
Payment for property, plant and equipment	(539,444)	(5,000)
Loans to Money3 Trading Companies	-	(70,000)
Payment for purchase of business combination, net of cash acquired	(772,899)	-
Formation Expenses	-	-
Payment for Computer System	(47,000)	-
Net cash used in investing activities	(1,359,343)	(75,000)
Cash flows from financing activities		
Proceeds from the issue of shares	4,600,000	-
Payments – IPO expenses	(723,696)	-
Repayment of borrowings	(31,090)	(48,199)
Dividend paid	(354,575)	(426,000)
Repayment of Directors' loans	(450,000)	-
Net cash provided by financing activities	3,040,639	(474,199)
Net increase/(decrease) in cash held	779,252	(151,177)
Cash at the beginning of the period	114,077	265,254
Cash at the end of the period	893,329	114,077

(i) The comparative figures are of the accounting acquirer, Money3 Glenroy (Refer to Note 1(b) and Note 2).

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

**NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

INTRODUCTION

The preliminary final report covers Money3 Corporation Limited and its controlled entities. This report is based on financial statements that are in the process of being audited.

NOTE 1. Basis of preparation of preliminary final report

This preliminary financial report does not include all of the notes of the type normally included in an annual financial report. This preliminary final report has been prepared in accordance with the measurement and recognition requirements of Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRS). Compliance with the Australian equivalents to IFRS (AIFRS) ensures that the financial report complies with International Financial Reporting Standard and other mandatory professional reporting requirements.

The accounting policies and methods of computation adopted in the preparation of the preliminary financial report are consistent with those adopted and disclosed in the company's annual financial report for the year ended 30 June 2006 except for the following:

(a) Changes in Accounting Estimates

Money3 charges application fees, credit fees and monthly account keeping fees. In prior reporting periods, these revenues were recognised on repayments from customers, over the term of the loan period on a straight-line basis. The Directors have determined that a more appropriate assessment of the provision of loans is to recognise revenue on all fees on a reducing balance basis over the loan period.

The impact of this change relating to application fees for loans has been to increase revenue in the year ended 30 June 2007 by \$660,420.

(b) Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 127 'Consolidated and Separate Financial Statements'. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair value of the identifiable net assets acquired exceeds the cost of acquisition, the excess is credited to profit and loss in the period of acquisition.

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 inter-company balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

The acquisition of The Money3 Trading Companies on 1 July 2006 was a reverse acquisition by Money3 Glenroy ("M3 Glenroy") whereby M3 Glenroy is considered the accounting acquirer on the basis that the former shareholders of M3 Glenroy controlled the Company subsequent to the transaction. As a result, M3 Glenroy is the continuing entity for accounting purposes and the legal parent, Money3 Corporation Limited, is the accounting subsidiary.

(c) Comparative

Comparative information included in the consolidated financial statements, including the consolidated results and financial position, are that of M3 Glenroy, as that entity has been deemed to be the accounting acquiring entity under reverse acquisition accounting under A-IFRS – refer Note 2.

**NOTES TO THE PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

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:

Money3 Trading Companies	Number of Shares
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
Total	<u>20,075,000</u>

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 year ended 30 June 2007 is inclusive of the trading results of the 9 Money3 Trading companies.

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 financial year ended 30 June 2007 are \$5,132,489 and \$1,257,148 respectively.

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:

**NOTES TO THE PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

NOTE 2. Acquisitions and Issue of shares (continued)

Purchase Consideration:	\$
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.	
Total	16,767,000
 Net Tangible Assets Acquired (at fair value):	
Cash and cash equivalents	475,685
Trade and other receivables	3,324,679
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)
Total	2,168,513
 Goodwill on Acquisition	
Goodwill	14,598,487
Total	16,767,000

The goodwill on acquisition represents the premium paid for entry into the market, and the expertise and knowledge of the company's employees.

(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 30 June 2007 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 period ended 30 June 2007 are \$274,429 and \$25,201 respectively.

The directors do not consider it practical to estimate what consolidated revenue and profit for the year ended 30 June 2007 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:

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

**NOTES TO THE PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

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

	Consolidated 30 June 2007		Money3 Corporation Limited 30 June 2006	
	shares	\$	shares	\$
Issued and paid-up ordinary share capital				
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
	27,275,000	21,447,004	20	20
Subdivided 20 shares to 2,000,000 shares	-	-	2,000,000	20
Transaction cost relating to share issues		(796,527)		
Deferred tax assets	-	242,760	-	-
	27,275,000	20,893,237	2,000,000	20