

# MONEY3 CORPORATION LIMITED

(ABN: 63 117 296 143)

## PRELIMINARY FINAL REPORT

30 June 2009

## APPENDIX 4E

Head Office:  
Unit 4, 60-70 Mahoneys Road  
Thomastown VIC 3074

Registered Office:  
Level 1, 48 High Street  
Northcote VIC 3070

**COMMENTARY ON PRELIMINARY RESULTS FOR THE YEAR ENDED JUNE 2009**

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In a year with so much uncertainty and contraction in the consumer market, the directors of MONEY3 are pleased to announce another year's successful results.

**Snapshot:**

- ⇒ Total Revenue increased by 20.2% from \$7.5M to \$9.0M
- ⇒ EBITDA up 6.7% from \$2.1M to \$2.3M
- ⇒ Net Profit after tax of \$1.0M
- ⇒ EPS 3.51 cents
- ⇒ Reduced borrowings from \$1.1M to \$600K on a Loan Book of \$8M
- ⇒ Cash at the end of the period increased from \$590K to \$1.2M
- ⇒ Opened seven new branches in VIC, TAS and NSW
- ⇒ New website generating loans Australia wide

**Full Year Results**

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 cash position and lessened risk.

The opening of seven new branches in December 2008 incurred a net trading loss of \$356,578. While they are currently not profitable it is anticipated these branches will contribute positively from FY2010.

**Dividend**

The Board will make a decision on dividend subject to completion the 30 June 2009 financial report by the company and audit of the financial statements which is currently in progress.

**COMMENTARY ON PRELIMINARY RESULTS FOR THE YEAR ENDED JUNE 2009  
(CONT'D)**

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**Future****Head Office**

MONEY3 has established its Head Office in Thomastown centralising Debt Recovery, Accounts Department and allowing space for Loan Centre expansion.

**Loan Centre**

While the Branch network will continue to expand and be more profitable, the Loan Centre continues to be the fastest growing segment of the company. The establishment of a Head Office has provided both oversight and room for expansion of the Loan Centre. With an increasing demand from the website, branch and brokers the only limitation to growth in the Loan Centre is funding.

**Bad Debt**

The re-location of Debt Recovery to the Head Office with a more streamlined process will see an increase in collections from our internal and external debt recovery division. Improvements in the economic climate, procedures and oversight will see a reduction in write off in the future.

**Online Applications**

In March 2009 MONEY3 launched a new web site. We are delighted to say this venture has produced better than expected results. The number of on-line applications has created a new arm of business referring loans to both the branch network and Loan Centre.

**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 2009
Previous Corresponding Reporting Period	Year ended 30 June 2008

**Results for Announcement to the Market**

	\$	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	\$9,013,813	20.2%
Profit from ordinary activities after tax attributable to members	\$1,033,926	(13.8%)
Net profit for the period attributable to members	\$1,033,926	(13.8%)
<b>Dividends (distributions)</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
Final Dividend	TBA	TBA
Interim Dividend	1.5 cents	1.5 cents
Record date for determining entitlements to the dividends (if any)	TBA	
<p><b>Brief explanation of any of the figures reported above necessary to enable the figures to be understood:</b></p> <p>For an explanation of revenue and profit from continuing operations, see commentary on results included in the accompanying preliminary final report.</p>		

**Dividends**

Date the dividend is payable	TBA
Record date to determine entitlement to the dividend	TBA
Amount per security	TBA
Total dividend	TBA
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	TBA
The last date for receipt of an election notice for participation in any dividend reinvestment plans	TBA

**NTA Backing**

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security (cents per share)	28.1	26.7

**Control Gained Over Entities Having Material Effect**

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

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

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

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

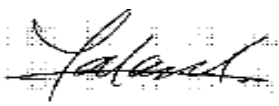
For foreign entities provide details of which accounting standards have been adopted (e.g. International Accounting Standards) N/A
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**Audit/Review Status**

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

**Attachments Forming Part of Appendix 4E**

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

Signed By (Director/Company Secretary)	
Print Name	Kang Hong Tan
Date	31 August 2009

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	<b>Consolidated Year ended 30 June 2009</b>	Consolidated Year ended 30 June 2008
	\$	\$
<b>Continuing Operations</b>		
Revenue	9,000,787	7,496,405
Other income	13,026	4,326
<b>Total revenue</b>	<u>9,013,813</u>	<u>7,500,731</u>
<b>Expenses from operating activities:</b>		
Administration	503,733	391,178
Employment	3,286,724	2,930,168
Advertising and sales	405,004	335,077
Occupancy costs	727,004	499,202
Bad debts	1,417,093	825,534
Depreciation and amortisation	327,064	229,398
Loss on disposal of fixed assets	-	29,194
Communication	156,967	115,125
Legal and professional	261,754	260,705
Interest expenses	103,727	84,174
<b>Profit before tax</b>	<u>1,824,743</u>	<u>1,800,976</u>
Income tax expense	<u>(790,817)</u>	<u>(601,516)</u>
<b>Net profit attributable to members</b>	<u><u>1,033,926</u></u>	<u><u>1,199,460</u></u>
<b>Earnings per share (cents per share)</b>		
Basic profit/(loss) from continuing operations	3.51 cents	4.37 cents
Diluted profit/(loss) from continuing operations	3.51 cents	4.37 cents

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

**BALANCE SHEET**  
**AS AT 30 JUNE 2009**

	<b>Consolidated 30 June 2009</b>	Consolidated 30 June 2008
	\$	\$
<b>Current assets</b>		
Cash and cash equivalents	1,175,708	591,200
Trade and other receivables (Note 5)	7,183,508	6,877,875
Other assets	4,088	39,915
<b>Total current assets</b>	<u>8,363,304</u>	<u>7,508,990</u>
<b>Non-current assets</b>		
Trade and other receivables (Note 5)	878,303	997,343
Other	79,089	33,118
Property, plant & equipment	1,030,756	989,470
Intangible assets	-	88,273
Deferred tax assets	178,973	312,683
Goodwill	15,323,487	15,323,487
<b>Total non-current assets</b>	<u>17,490,608</u>	<u>17,744,374</u>
<b>Total assets</b>	<u>25,853,912</u>	<u>25,253,364</u>
<b>Current Liabilities</b>		
Trade and other payables	568,923	528,096
Borrowings	600,000	1,075,000
Hire purchase	8,513	8,513
Current tax payables	246,957	555,449
Other Provisions	225,235	180,461
<b>Total current liabilities</b>	<u>1,649,628</u>	<u>2,347,519</u>
<b>Non-current liabilities</b>		
Provisions	52,463	28,072
Borrowings	62,244	70,468
<b>Total non-current liabilities</b>	<u>114,707</u>	<u>98,540</u>
<b>Total current liabilities</b>	<u>1,764,335</u>	<u>2,446,059</u>
<b>Net assets</b>	<u><b>24,089,577</b></u>	<u><b>22,807,305</b></u>
<b>Equity</b>		
Issued Capital	22,516,008	21,144,955
Share Option Reserves	449,069	282,402
Accumulated profit	1,124,500	1,379,948
<b>Total equity</b>	<u><b>24,089,577</b></u>	<u><b>22,807,305</b></u>

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



**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	Issued capital \$	Retained earnings \$	Reserves \$	Total equity \$
<b>Opening balance at 1 July 2007</b>	<b>20,893,237</b>	<b>1,355,885</b>	<b>115,736</b>	<b>22,364,858</b>
Total recognised income and expense for the period	-	1,199,460	-	1,199,460
Issue of shares on DRP	251,718	-	-	251,718
Increase in equity compensation reserve	-	-	166,666	166,666
Transfer to/(from) deferred tax reserve	-	-	-	-
Dividend paid	-	(1,175,397)	-	(1,175,397)
<b>Closing balance at 30 June 2008</b>	<b>21,144,955</b>	<b>1,379,948</b>	<b>282,402</b>	<b>22,807,305</b>
<b>Opening balance at 1 July 2008</b>	<b>21,144,955</b>	<b>1,379,948</b>	<b>282,402</b>	<b>22,807,305</b>
Total recognised income and expense for the period	-	1,033,926	-	1,033,926
Issue of shares on DRP	361,053	-	-	361,053
Issue of shares to sophisticated investors	900,000	-	-	900,000
Issue of shares to employee	10,000	-	-	10,000
Issue of shares to repay loan	100,000	-	-	100,000
Increase in equity compensation reserve	-	-	166,667	166,667
Transfer to/(from) deferred tax reserve	-	-	-	-
Dividend paid	-	(1,289,374)	-	(1,289,374)
<b>Closing balance at 30 June 2009</b>	<b>22,516,008</b>	<b>1,124,500</b>	<b>449,069</b>	<b>24,089,577</b>

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

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	<b>Year ended 30 June 2009</b>	<b>Year ended 30 June 2008</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	8,750,415	6,670,870
Payments to suppliers and employees	(5,028,693)	(4,212,872)
Interest received	13,026	4,326
Interest paid	(103,727)	(84,174)
Income Tax paid	(965,599)	(789,671)
	2,665,422	1,588,479
<i>(Increase) decrease in operating assets:</i>		
Net funds advanced to and repayments from customers for loans	(1,399,286)	(1,754,131)
<b>Net cash used in operating activities</b>	1,266,136	(165,652)
<b>Cash flows from investing activities</b>		
Payment for property, plant and equipment	(280,076)	(257,643)
Sale of property, plant and equipment	-	89,000
Payment for Computer System	-	(25,273)
<b>Net cash used in investing activities</b>	(280,076)	(193,916)
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	1,010,000	-
Repayment of Hire Purchase	(8,225)	(93,882)
Proceeds of borrowings	(475,000)	1,075,000
Dividend paid	(928,327)	(923,679)
<b>Net cash provided by financing activities</b>	(401,552)	57,439
<b>Net increase/(decrease) in cash held</b>	584,508	(302,129)
<b>Cash at the beginning of the period</b>	591,200	893,329
<b>Cash at the end of the period</b>	1,175,708	591,200

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 2009**

**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, Accounting Interpretation and the Corporations Act 2001.

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 2008 and the half year ended 31 December 2008.

**NOTE 2. Revenue**

	Consolidated 2009 \$	Consolidated 2008 \$
Continuing operations:		
Revenue from operating activities		
Loan fees (a)	7,930,243	6,717,469
Cheque cashing fees	858,300	568,871
Other services	212,244	210,065
	9,000,787	7,496,405
Revenue from non-operating activities		
Interest income from financial institutions	13,026	4,326
Total revenue from continuing operations	9,013,813	7,500,731

(a) In prior years revenue still to be earned from fees and charges were included in Loan fees and Bad debts expense when a debt was written off. This treatment is inconsistent with the policy of recognising revenue on loan fees on a reducing balance basis over the loan period. The effect of this treatment in 2008 was an overstatement of \$305,206 in both Loan fees and Bad debts written off. The comparatives have been adjusted accordingly and there is no impact on profit.

**NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

**NOTE 3. Expenses included in net profit/(loss) from continuing operations**

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

	Consolidated 2009	Consolidated 2008
Employment:	\$	\$
Salary and employee benefits expense	2,514,785	2,174,470
Share based payment	166,667	166,666
Contributed superannuation	263,505	291,521
Other employment costs	341,767	297,511
Total Employment costs	<u>3,286,724</u>	<u>2,930,168</u>
Depreciation and amortisation:		
Leasehold improvements	83,854	73,460
Motor vehicles	33,550	39,629
Furniture, Equipment and Fittings	209,660	116,309
Total depreciation and amortisation	<u>327,064</u>	<u>229,398</u>
Operating lease		
Rent	<u>515,010</u>	<u>339,472</u>
Finance costs (a)		
Interest on bank overdrafts and loans	96,685	78,939
Interest on obligations under finance lease	7,042	5,235
Total finance costs	<u>103,727</u>	<u>84,174</u>
(Gain) / loss on disposal of assets	<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.)

**NOTE 4. Contributed equity**

	Consolidated 30 June 2009		Consolidated 30 June 2008	
	shares	\$	shares	\$
<b>Issued and paid-up ordinary share capital</b>				
Balance at the beginning of the period	27,676,856	21,144,955	27,275,000	20,893,237
Shares issued during the period:				
- to sophisticated investors @ 39 cents per share	2,307,694	900,000	-	-
- to repay loan @ 40 cents per share	250,000	100,000	-	-
- to employees @ 40 cents per share	25,000	10,000		
- DRP	933,630	361,053	401,856	251,718
	<u>31,193,180</u>	<u>22,516,008</u>	<u>27,676,856</u>	<u>21,144,955</u>

**NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

**NOTE 5. Trade and other receivables**

	Consolidated 2009	Consolidated 2008
	\$	\$
Net trade receivables	8,541,018	8,290,681
Allowance for doubtful debts	<u>(479,207)</u>	<u>(415,463)</u>
	8,061,811	7,875,218
Advances to controlled entities	<u>-</u>	<u>-</u>
	<u>8,061,811</u>	<u>7,875,218</u>
Current receivables	<u>7,183,508</u>	<u>6,877,875</u>
Non-current receivables	<u>878,303</u>	<u>997,343</u>

Net trade receivables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest rate method, which represents gross amount to be received from customer less deferred revenue relating to application, credit and monthly account keeping fees charged on personal loans. Prior year receivables have been restated on this basis, rather than the deferred revenue being separately disclosed. This reclassification reduces each of current assets and current liabilities by \$2,730,759 (2008: \$2,923,763) and has no implications for equity of profit in the income statement.

Net trade receivables consist of the following:

	Consolidated 2009	Consolidated 2008
	\$	\$
Gross trade receivables	11,271,777	11,214,444
Less Deferred revenue	<u>(2,730,759)</u>	<u>(2,923,763)</u>
Net trade receivables	<u>8,541,018</u>	<u>8,290,681</u>

**NOTE 6. 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.