MONEY3 CORPORATION LIMITED

ABN: 63 117 296 143

Annual Financial Report

for the Year Ended 30 June 2008

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)

Chief Executive Officer
Mr John E Morris (6 August 2007 to 4 April 2008)
Mr Robert Bryant (from 4 April 2008)

Company Secretary
Mr Christopher James Baldwin

Registered Office
Level 1, 373-375 St Georges Road
North Fitzroy Victoria 3068

Telephone:	(03) 9300 2955
Facsimile:	(03) 9300 4155

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

In a year when financial companies have struggled Money3 Limited is excited that it has been able to produce a stable growth pattern across all sectors of our business. This year there has been:

- An increase in revenue of 21.9% from $6.4million to $7.8million.
- An increase in our loan book of 33.3% from $8.1million to $10.8 million
- An increase in EBITDA of 10.5% from$1.91million to $2.11million

A new branch opening in Wodonga being further confirmation of the confidence the Board has in the ongoing growth of the business.

In addition, the company has this year restructured its management, introducing an operations and state manager and increasing the responsibility of branch managers. The company is confident that this new management team and the introduction of new processes will lead to continued growth of the company.

The Board regards the appointment of Mr Scott Baldwin as the Operations Manager as an exciting step forward. His previous position was with GE as a Marketing Manager covering the Asian region. He has a Diploma of Management and a Master of Business Administration. He is also a strong supporter of Money3 since listing and can be found in the top 20 shareholders. His belief in the company is underscored by that investment. Rob Bryant as CEO and Scott together are implementing key strategic changes which are again part of an ongoing strategy of sensible growth for the company.

A fully franked interim dividend of 1.3 cents per share was paid in March 2008. A final full franked dividend of 3 cents per share will be paid on these results are indicative of the ongoing success of the company.

Yours sincerely

Bettina Evert
Chairman
30 September 2008

Corporate Governance Statement

Corporate governance refers to the system by which companies are directed and managed. It influences how the objectives of a company are set and achieved, how risk is monitored and assessed, and how performance is optimised. What constitutes good corporate governance will evolve with the changing circumstances of a company and must be tailored to meet those circumstances.

On 31 March 2003 the ASX Corporate Governance Council (Council) released its guidelines in relation to corporate governance, entitled "Principles of Good Corporate Governance and Best Practice Recommendations". This document articulated 10 core principles and 28 best practice recommendations that the Council believes underlie good corporate governance and included guidelines to assist companies in complying with the principles and best practice recommendations.

The board of directors of Money3 Corporation Limited (Board) supports the core principles and best practice recommendations published by the Council.

The Board consists of two executive and two non-executive directors. The non-executive directors, being Ms Bettina Evert and Mr Christopher Baldwin, are independent, notwithstanding the existence of certain relationships as listed in Box 2.1 of Principle 2 of Good Corporate Governance and Best Practice 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 services to the Company and subsidiaries. Brown Baldwin continues to provide taxation and statutory secretarial services to the Company and annual fees for the 30 June 2008 financial year are $19,542 (2007: $25,481). Mr Baldwin also holds a significant number of securities in the Company but is not a substantial shareholder as defined in section 9 of the Corporations Act.

Money3 Corporate Governance Policy and Charters

Money3 has adopted the following Corporate Governance charters:

- Board Charter;
- Trading Charter;
- Audit Charter;
- Board Nomination Charter;
- Board Remuneration Charter;
- Supplementary policies (including code of conduct).

Each of the above charters as adopted by the Board are outlined below.

Board Charter

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;

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- 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 Managing Director and ratifying the appointment and removal of executives reporting directly to the Managing Director (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.

Trading Charter

Trading charter imposes restrictions on share trading for directors, officers and employees and prohibits them from dealings in the Company's securities while in possession of sensitive inside information.

Audit Charter

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.

Board Nomination Charter

The primary purpose of the Nomination Committee is to support and advise the Board in fulfilling its responsibilities to shareholders in ensuring that the Board is appropriately structured and comprised of individuals who are best able to discharge the responsibilities of directors by:

- assessing the size, composition, diversity and skills required by the Board to enable it to fulfil its responsibilities to shareholders, having regard to the Company's current and proposed scope of activities;
- assessing the extent to which the required knowledge, experience and skills are represented on the Board;
- establishing processes for the identification of suitable candidates for appointment to the Board;
- overseeing succession planning for the Board and CEO;
- establishing processes for the review of the performance of individual directors and the Board as a whole; and
- assessing the terms of appointment and remuneration arrangements for non-executive director.

Corporate Governance Statement

Board Remuneration Charter

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 plan.

Supplementary policies - Code of Conduct

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 of the Company.
- 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.

Supplementary policies - 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 responsib 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; and
- educating directors and staff on the Company's disclosure policies and procedures and raising awareness of the principles underlying continuous disclosure.

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.

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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.

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.

The Company Secretary is responsible for:

- ensuring that the Chairman and the Managing Director 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;
- 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.

Responses to enquiries from market analysts are to be confined to errors in factual information and underlying assumptions. Earnings expectations are to be managed by using the continuous disclosure regime and any change to expectations is to be made by ASX announcement before commenting to anyone outside the Company.

ASX Best Practice Recommendations

The table below contains each of the ASX Best Practice Recommendations. Where the Company considered it was not appropriate to comply with a particular recommendation, the Company's reasons are set out on the corresponding note at the end of this table.

No.	Best Practice Recommendations	Complied	Note
1.1	Formalise and disclose the functions reserved to the board and those delegated to management.	Yes	
2.1	A majority of the board should be independent directors.	No	1
2.2	The chairman should be an independent director.	Yes	
2.3	The role of chairperson and chief executive officer should not be exercised by the same individual.	Yes	
2.4	The board should establish a nomination committee.	Yes	
2.5	Provide the information indicated in Guide to reporting on Principle 2.	Yes	
3.1	Establish a code of conduct to guide the directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to:		
	3.1.1 the practices necessary to maintain confidence in the company's integrity	Yes	
	3.1.2 the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes	
3.2	Disclose the policy concerning trading in company securities by directors, officers and employees.	Yes	
3.3	Provide the information indicated in Guide to reporting on Principle 3.	Yes	
4.1	Require the chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the board that the company's 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.	Yes	

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No.	Best Practice Recommendations	Complied	Note
4.2	The board should establish an audit committee.	Yes	
4.3	Structure the audit committee so that it consists of:		
	- only non-executive directors	Yes	
	- a majority of independent directors	Yes	
	- an independent chairperson, who is not chairperson of the board	Yes	
	- at least three members	No	2
4.4	The audit committee should have a formal charter.	Yes	
4.5	Provide information indicated in the Guide to reporting on Principle 4	Yes	
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.	Yes	
5.2	Provide the information indicated in Guide to reporting on Principle 5.	Yes	
6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	Yes	
6.2	Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.	Yes	
7.1	The board or appropriate board committee should establish policies on risk oversight and management.	Yes	
7.2	The chief executive officer (or equivalent) and chief financial officer (or equivalent) should state to the board in writing that:		
	7.2.1 the statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board.	Yes	
	7.2.2 the company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.	Yes	
7.3	Provide the information indicated in Guide to reporting on Principle 7.	Yes	
8.1	Disclose the process for performance evaluation of the board, its committees and individual directors, and key executives.	Yes	
9.1	Provide disclosure in relation to the company's remuneration policies to enable investors to understand (i) the costs and benefits of those policies and (ii) the link between remuneration paid to directors and key executives and corporate performance.	Yes	
9.2	The board should establish a remuneration committee.	Yes	
9.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executives.	Yes	
9.4	Ensure that payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders.	Yes	
9.5	Provide the information indicated in Guide to reporting on Principle 9.	Yes	
10.1	Establish and disclose a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders.	Yes	

Note 1 - The Company has 4 directors, 2 are independent non-executive directors.

Note 2 - The Audit Committee consists of 2 independent non-executive directors.

The directors are of the opinion that given the Company's current size and the nature of its operations, the appointment of additional independent non-executive directors to meet the ASX's best practice recommendation, at this early stage, will impose unwarranted additional expenses and administrative burden. The directors are of the belief that Ms Evert being a director of Fetter Gdansk Pty Ltd (lawyers) and Mr Baldwin a partner of Brown Baldwin (Accountants) are suitably qualified in performing the functions of the audit committee.

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 2008. 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 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 (from 1 July 2006 to 6 August 2007 and re-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 public accountants 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.

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

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. The company made various business combinations during the year and details are contained in the review and results of operations section in this annual financial report. There has been no significant change in nature of principal activities during the financial year.

Directors' Report

DIVIDENDS

The Company paid a fully franked interim dividend for the year ended 30 June 2008 of 1.3 cents per share on 30 April 2008. The Company paid a fully franked final dividend for the year ended 30 June 2007 of 3 cents per share on 30 November 2007.

On 30 September 2008, the directors declared a fully franked final dividend of 3 cents per share to the holders of fully paid ordinary shares in respect of the financial year ended 30 June 2008, to be paid to shareholders on 28 November 2008. The dividend will be paid to shareholders on the Register of Members on 14 November 2008. 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 $1,199,460 (2007: $1,212,121).

REVIEW OF OPERATIONS

As indicated in 2007, the growth engine for Money3 would be the Loan Centre. It processes all secured loans (those loans which are over $5,000 and over 12 months duration) while the branches provide smaller, shorter loans and act as a conduit to generate leads to the Loan Centre. In September 2007 Money3 centralised the Loan Centre at Moor Ponds. At July 2008, more than 50% of the Loan Centre referrals came from sources external to our branch network.

With the opening of a branch in Wodonga in April 2008, Money3 now has 13 branches operating in short term small loans (less than $5,000 and up to 6 months).

Revenue increased by 22% and Loan Book increased by 33%. The directors of Money3 are confident of sustainable growth in the current economic conditions.

CHANGE IN THE STATE OF AFFAIRS

During the financial year, there was no significant change in the state of affairs of the consolidated entity other than Loan Centre was centralised at Moonee Ponds and the Company opened a new branch in Wodonga, referred to in the review and results of operations sections in the financial statements and notes thereto.

SUBSEQUENT EVENTS

Dividends

On 30 September 2008, the directors declared a fully franked final dividend of 3 cents per share to the holders of fully paid ordinary shares in respect of the financial year ended 30 June 2008, to be paid to shareholders on 28 November 2008. The dividend will be paid to shareholders on the Register of Members on 14 November 2008. This dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is $830,306.

Other events

Other than disclosed above and 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.

FUTURE 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.

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.

Directors' Report

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 (2007: 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 granted during 2007 are:

Director and executives	Number of options	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 or exercised during the year

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 2008, a total of nil (2007: nil) fully paid ordinary shares were issued by Money3 Corporation Limited as a result of the exercise of options for a consideration of $nil (2007: $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' 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 10 Board meetings and 2 Audit Committee meetings held. No meetings of the Nominations Committee was held during the year.

Director	Board meeting		Audit Committee		Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended
Bettina Evert	9	9	2	2	1	1
Robert Bryant	9	9	2	2	-	-
Kang Hong Tan	9	9	2	2	1	1
Christopher Baldwin	9	9	2	2	1	1

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	Patly paid ordinary shares	Type of Options	Options over Ordinary
Bettina Evert	3,201	-	-	-
Robert Bryant	8,224,517	-	Director	1,000,000
Kang Hong Tan	4,713,147	-	Director	1,000,000
Christopher Baldwin	806,875	-	-	-

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.

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 calibre, 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.

Directors' Report

REMUNERATION REPORT (Cont'd)

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, business unit 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.

Actual STI payments granted to each senior manager depend on the extent to which specific operating targets set at the beginning of the year is met. The operational targets consist of a number of Key Performance Indicators (KPIs) covering both financial and non-financial measures of performance. Typically included are measures such as contribution to revenue, net profit after tax, customer service, risk management, product management, leadership and team contribution. The Company has predetermined benchmarks, which must be met in order to trigger payments under the short-term incentive scheme.

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.

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 2008 year, no options were granted (2007: 2,000,000) options was made to directors and executives. No issue of shares was made in 2008 (2007: nil) under the LTI plan.

CONTRACT OF EMPLOYMENT

All executives of the Company are employed under a letter of appointment with a minimum 1 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.

Directors' Report

REMUNERATION REPORT (Cont'd)

RELATIONSHIP BETWEEN REMUNERATION POLICY AND COMPANY PERFORMANCE

Remuneration paid to key management personnel has been set at a level to attract and retain appropriately skilled persons. Options issued to executive directors have been granted in consideration of their efforts in relation to the IPO and to drive continuing performance.

DETAILS OF REMUNERATION

The key management personnel 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 (from 25 November 2005)
Mr Christopher Baldwin	Non Executive Director (from 25 November 2005)
Mr John Morris	Chief Executive Officer (from 6 August 2007 to 4 April 2008)

The directors and key management personnel of the consolidated entity are the same as that of Money3 Corporation Limited. There are no other key management personnel other than those disclosed above.

The compensation of each member of the key management personnel of the consolidated entity is set out below:

	Short term employee benefits		Post employment benefits	Other long term benefits	Share based payment	Total
	Salary & fees	Bonus	Superannuation		Options	
	$	$	$	$	$	$
2008						
B. Evert	30,000	-	2,700	-	-	32,700
R. Bryant	96,539	-	7,789	-	83,333	187,661
Kang Tan	119,615	-	9,865	-	83,333	212,813
C. Baldwin	30,000	-	2,700	-	-	32,700
J Morris	167,910	-	11,116	-	-	179,026
Total	444,064	-	34,170	-	166,666	644,900
2007						
B. Evert	28,453	-	2,700	-	-	31,153
R. Bryant	160,000	-	13,500	-	57,868	231,368
Kang Tan	160,000	-	13,500	-	57,868	231,368
C. Baldwin	30,000	-	2,700	-	-	32,700
J Morris	-	-	-	-	-	-
Total	378,453	-	32,400	-	115,736	526,589

Directors' Report

REMUNERATION REPORT (Cont'd)

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 Value at Grant Date $	Options exercised Value at exercise date $	Options lapsed Value at time of lapse $	Total value of options, granted, exercised and lapsed $	Percentage of total remuneration for the year that consists of options %	Proportion of option remuneration	
						Performance related %	Non-Performance related %
2008							
R. Bryant	Nil	Nil	Nil	Nil	44	Nil	100
K. Tan	Nil	Nil	Nil	Nil	39	Nil	100
2007							
R. Bryant	250,000	Nil	Nil	250,000	25	Nil	100
K. Tan	250,000	Nil	Nil	250,000	25	Nil	100

Options granted during the 2007 financial year were not related to performance of the company as they were granted in consideration of their efforts in relation to the IPO and as an incentive to drive the continuing performance of the Company. Share based payments (options) issued to Mr Bryant and Mr Tan during the 2007 financial year vest over 3 years. The total fair value of these options on grant date were $500,000. As these payments over 3 years a pro-rata amount of $166,666 has been recorded as an expense in the 2008 (2007: $115,736) financial year in accordance with AASB2.

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 disclose terms and conditions of each grant of options provided as compensation in the 30 June 2007 financial year of key management personnel are as follows:

Key management person	Number in period Vested	Number in period Granted	Grant date	Expiry date	Exercise price	Fair value per option at grant date
Robert Bryant	-	1,000,000	1-Jul-06	30-Jun-11	$1.20	$0.25
Kang Hong Tan	-	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 2008 financial year to directors or key management personnel.

Directors' Report

REMUNERATION REPORT (Cont'd)

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.

Details of options over ordinary shares in the company provided as remuneration to each director of Money3 Corporation Limited and each of the key management personnel of the consolidated entity and company are set out below. When exercisable, each option is convertible into one ordinary share of Money3 Corporation Limited. Further information on the options is set out in Note 8 to the financial statements.

Directors and key management personnel of Consolidated entity and parent entity	Number of options granted during the year		Number of options vested durinç the year	
	2008	2007	2008	2007
Robert Bryant	-	1,000,000	-	-
Kang Hong Tan	-	1,000,000	-	-
Total	-	2,000,000	-	-

Options granted during the financial year are not related to performance of the company as they are granted in consideration of their efforts in relation to the IPO and as an incentive to drive the continuing performance of the Company.

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

The directors are satisfied that the provision of non-audit services during the year, by the auditor (or any person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the

The following amounts were paid to or are payable for non-audit services provided by auditors:

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Amounts received or due and receivable by the auditors for:				
Other services in relation to the entity and any other entity in the consolidated entity - due diligence services related to acquisitions and to the IPO	-	185,875	-	185,875
Total paid for non-audit services	-	185,875	-	185,875

The directors are of the opinion that the provision of non-audit services did not compromise the external auditor's independence, based on advice received from the Audit Committee, for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the auditor; and

- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 "Code of Professional Ethics' for Professional Accountants" issued by the Accounting Professional and Ethical Standards Board, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 19 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 2008

Chartered Accountants
& Business Advisers

30 September 2008

The Directors
Money3 Corporation Limited
140 Ryrie Street
GEELONG VIC 3220

Dear Directors

Auditor's Independence Declaration

As lead auditor for the audit of Money3 Corporation Limited for the year ended 30 June 2008, 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 audit; 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.

Yours faithfully
PKF

David Garvey

D J Garvey
Partner

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

We have audited the accompanying financial report of Money3 Corporation Limited which comprises the balance sheet as at 30 June 2008, 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 and other explanatory notes and the directors' declaration for both Money3 Corporation Limited and the consolidated entity comprising 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 Australian Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with Australian Accounting Standards ensures that the financial statements and notes, comply 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.

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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 2008 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 company's and consolidated entity's financial statements and notes also comply with International Financial Reporting Standards, as disclosed in note 1.

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 2008. 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 2008, complies with section 300A of the Corporations Acts 2001.

PKF

David Garvey

PKF
Chartered Accountants

DJ Garvey
Partner

30 September 2008
Melbourne

Directors' Declaration

The directors declare that:

(a) In the directors' opinion, the financial statements and notes there to, comply with Accounting Standards, the Corporations Act 2001 and the Corporations Regulation 2001and other mandatory professional reporting requirements and give a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2008 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date;

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(c) The directors have been given declarations as required by Section295A of the Corporations Act 2001.

This statements is made in accordance with a resolution of the directors.

On behalf of the Directors

Bettina Evert
Chairman
Dated 30 September 2008

Income Statements
for the year ended 30 June 2008

	Notes	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Revenue from continuing operations	2	7,805,937	6,399,820	4,853,285	2,705,572
Expenses from operating activities:					
Administration		391,178	605,314	119,043	386,497
Employment	3	2,930,168	2,109,306	2,859,504	1,529,324
Advertising		335,077	398,873	33,315	203,290
Occupancy costs		499,202	442,367	32,347	29,921
Bad debts		1,130,740	573,637	131,061	12,070
Depreciation & amortisation	3	229,398	190,371	45,414	17,145
Loss on sale of fixed assets		29,194	-	29,194	-
Communication		115,125	134,645	7,314	16,893
Legal and professional		260,705	219,610	250,011	212,023
Finance costs	3	84,174	10,568	80,569	-
Profit before income tax		1,800,976	1,715,129	1,265,513	298,409
Income tax (expense) / benefit	5	(601,516)	(503,008)	24,069	-
Profit for the period from continuing operations		1,199,460	1,212,121	1,289,582	298,409
Profit attributable to members of Money3 Corporation Limited		1,199,460	1,212,121	1,289,582	298,409
Earnings per share					
Basic earnings per share (cents)	6	4.37	4.71		
Diluted earnings per share (cents)	6	4.37	4.47		

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

Balance Sheets
as at 30 June 2008

	Notes	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
ASSETS					
Current assets					
Cash and cash equivalents	9	591,200	893,328	28,699	283,659
Trade and other receivables	10	9,625,065	7,449,430	5,787,584	4,418,806
Other	11	39,915	62,459	40,451	40,760
Total current assets		10,256,180	8,405,217	5,856,734	4,743,225
Non current assets					
Trade and other receivables	10	1,173,916	660,420	1,019,919	371,176
Other	11	33,118	33,118	-	-
Property, plant & equipment	12	989,470	940,594	217,904	160,268
Intangibles	13	15,411,760	15,386,487	88,273	63,000
Deferred tax assets	5(e)	312,683	312,683	270,893	242,760
Investment in Subsidiaries	14	-	-	18,067,510	18,067,508
Total non current assets		17,920,947	17,333,302	19,664,499	18,904,712
Total assets		28,177,127	25,738,519	25,521,233	23,647,937
LIABILITIES					
Current liabilities					
Trade and other payables	15	528,096	427,100	578,640	803,500
Borrowings	17	1,153,981	34,037	978,981	-
Deferred revenue	18	2,923,763	1,988,763	1,068,895	514,729
Current tax payables	5(c)	555,449	743,604	4,064	-
Provisions	16	180,461	158,534	122,210	100,283
Total current liabilities		5,341,750	3,352,038	2,752,790	1,418,512
Non current liabilities					
Provisions	16	28,072	21,623	28,072	21,623
Total non current liabilities		28,072	21,623	28,072	21,623
Total liabilities		5,369,822	3,373,661	2,780,862	1,440,135
Net assets		22,807,305	22,364,858	22,740,371	22,207,802
EQUITY					
Issued capital	19	21,144,955	20,893,237	22,445,471	22,193,753
Share Option Reserve	20	282,402	115,736	282,402	115,736
Accumulated profit/(losses)	4	1,379,948	1,355,885	12,497	(101,687)
Total equity		22,807,305	22,364,858	22,740,370	22,207,802

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

Statements of Changes in Equity
for the year ended 30 June 2008

CONSOLIDATED

	Attributable to equity holders of the parent			
	Issued Capital	**Retained Earnings**	**Share Option Reserves**	**Total**
	$	$	$	$
At 1 July 2006	4	498,339	-	498,343
Profit for the year	-	1,212,121	-	1,212,121
Issue of shares on DRP	-	-	-	-
Issue of share capital for acquisitions	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
Share option reserve	-	-	115,736	115,736
Initial public offer costs	(796,527)	-	-	(796,527)
Transfer to deferred tax asset	242,760	-	-	242,760
Dividend paid	-	(354,575)	-	(354,575)
Closing balance as at 30 June 2007	20,893,237	1,355,885	115,736	22,364,858
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 to the public	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

COMPANY

	Attributable to equity holders of the parent			
	Issued Capital	**Retained Earnings**	**Share Option Reserves**	**Total**
	$	**$**	**$**	**$**
At 1 July 2006	20	(45,521)	-	(45,501)
Profit for the year	-	298,409	-	298,409
Issue of share capital for acquisitions	18,067,500	-	-	18,067,500
Issue of share 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
Share option reserve	-	-	115,736	115,736
Capital raising costs	(796,527)	-	-	(796,527)
Transfer to deferred tax asset	242,760	-	-	242,760
Dividend paid	-	(354,575)	-	(354,575)
Closing balance as at 30 June 2007	22,193,753	(101,687)	115,736	22,207,802
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 on DRP	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

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

Cash Flow Statements

	Notes	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Cash flows from operating activities					
Receipts from customers		6,670,870	6,318,428	777,898	161,487
Receipts from inter entities		-	-	2,500,000	-
Payments to suppliers and employees		(4,212,872)	(3,762,413)	(3,046,607)	(1,882,415)
Interest received		4,326	74,474	4,325	74,474
Interest paid		(84,174)	(10,568)	(80,569)	-
Income tax paid		(789,671)	(151,758)	-	-
		1,588,479	2,468,163	155,047	(1,646,454)
(Increase) decrease in operating assets:					
Net funds advanced to customers for loans		(1,754,131)	(3,476,485)	(1,259,859)	(1,167,044)
Net cash provided by operating activities	21 (b)	(165,652)	(1,008,322)	(1,104,812)	(2,813,498)
Cash flows from investing activities					
Payment for property, plant and equipment		(257,643)	(549,122)	(82,419)	(67,685)
Sale of property, plant and equipment		89,000	-	89,000	-
Payment for Computer System		(25,273)	(47,000)	(25,273)	(47,000)
Payments for purchase of business, net of cash acquired	22	-	(666,622)	(2)	(8)
Dividend received from subsidiaries		-	-	1,440,000	-
Net cash provided by investing activities		(193,916)	(1,262,744)	1,421,306	(114,693)
Cash flows from financing activities					
Proceeds from share issue		-	4,600,000	-	4,600,000
Payments - IPO expenses		-	(723,696)	-	(723,696)
Repayment of hire purchase borrowings		(93,881)	(21,412)	(59,844)	-
Advances to wholly owned entities		-	-	(487,931)	133,321
Proceeds of borrowings		1,075,000	-	900,000	-
Dividend paid		(923,679)	(354,575)	(923,679)	(354,575)
Repayment of Directors' loans		-	(450,000)		(450,000)
Net cash provided by financing activities		57,440	3,050,317	(571,454)	3,205,050
Net increase (decrease) in cash held		**(302,128)**	**779,251**	**(254,960)**	**276,859**
Cash and cash equivalents at the beginning of the year		893,328	114,077	283,659	6,800
Cash and cash equivalents at end of the year	21 (a)	**591,200**	**893,328**	**28,699**	**283,659**

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

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For the year ended 30 June 2008

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.

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 complies with International Financial Reporting Standards (IFRS).

The financial statements have been prepared on an accrual basis and is 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. The financial report has been prepared on a going concern basis 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.

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

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

Notes to the financial statements
For the year ended 30 June 2008

(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 has suffered any impairment in accordance with the accounting policy stated in Note 1(i). The Directors believe that investments in subsidiaries are not carried above recoverable amount and no impairment exists in relation to these assets balance at 30 June 2008 (2007: nil). At 30 June 2008, investments in subsidiaries are $18,067,510 (2007: $18,067,508).

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 believe that goodwill is not carried above its recoverable amount and no impairment exists in relation to goodwill at 30 June 2008 (2007: nil). At 30 June 2008, goodwill on consolidation are $15,323,487 (2007: $15,323,487)

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 2008 based on past experience and judgement At 30 June 2008, doubtful debts provision are $415,463 (2007: $258,612).

Share based payments
Share based payments are accounting for at fair valued using the Binomial model. See note 8 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.

(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.

Notes to the financial statements
For the year ended 30 June 2008

(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 10) 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.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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 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.

Notes to the financial statements
For the year ended 30 June 2008

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 an 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. Internally generate software is not currently being amortisation as it is not yet ready for use. Refer note 13 for further information.

(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's carrying amount may not be recoverable.

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.

Notes to the financial statements
For the year ended 30 June 2008

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:

Class of Fixed Asset	**Depreciation Rate**
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 exist 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.

(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.

(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 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.

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.

Notes to the financial statements
For the year ended 30 June 2008

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 on a reducing balance basis over the loan period.

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 is established.

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 a 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

Notes to the financial statements
For the year ended 30 June 2008

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 recognised 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.

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 consequence 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 deferred tax balances they relate to taxes 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 or excess.

(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 2008

(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 direct 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.

(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.

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.

Notes to the financial statements
For the year ended 30 June 2008

(z) Adoption of new and revised accounting standards

The group has adopted AASB 7 Financial Instruments: Disclosures; Disclosures and all consequential amendments which bacame applicable on 1 January 2007 and AASB 101 Presentation of Financial Statements (revised October 2006). The adoption of these standards has only affected the disclosures in the financial statements of the economic entity. There has been no effect on profit and loss or the financial position of the economic entity.

(aa) New accounting standards and interpretations

The following standards have been identified as those which may impact the consolidated entity's financial report, in the period of initial application. They are available for early adoption as at 30 June 2008, but have not been applied in preparing this financial report. The directors have considered each of the below standards, and assessed the impact as follows:

AASB 8 *Operating Segments* and AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6 AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]*

AASB 8 replaces the presentation requirements of segment reporting in AASB 114 *Segment Reporting*. These standards are applicable for reporting periods beginning on or after 1 January 2009. Application of these standards will not affect any of the amounts recognised in the Group's or the parent entity's financial statements as the standards are only concerned with disclosures and the Company operates in one business segment being the short term cash loan industry and one geographical segment being Victoria, Australia.

AASB 3 *Business Combinations (March 2008),* AASB 127 *Consolidated and Separate Financial Statements (March 2008)* and AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107]*

These revised standards introduce greater emphasis on the use of fair value recognition. Transaction costs will be required to be accounted for separately through the Income Statement rather than capitalised as part of the cost of the investment as is currently the case. These standards are effective for financial reporting periods beginning on or after 1 July 2009. The impact of these standards has not yet been determined.

AASB 101 *Presentation of Financial Statements (September 2007)*

This revised standard introduces as a primary statement, the "Statement of Comprehensive Income". The revised standard does not change any recognition, measurement or disclosure requirements of transactions and events that are required by other Accounting Standards. The standard is applicable for the annual reporting period beginning on or after 1 July 2009. The effect on the disclosures in financial statements has not yet been determined.

AASB 2008-1 *Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations [AASB 2]*

This 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. This standard is effective for financial reporting period beginning on or after 1 July 2009, and is not expected to have any impact on the financial statements.

AASB 2008 - 7 *Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136]*

The key revisions to this standard include the requirement for all dividends to be treated as revenue, the removal of the definition of the cost from AASB 127 *Consolidated and Separate Financial Statements*, and amendments to AASB 136 *Impairment of Assets* to include the receipt of a dividend from a subsidiary as a possible indicator of impairment. This standard is effective for financial reporting periods beginning on or after 1 January 2009, and is not expected to have any impact on the financial statements.

2. Revenue

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Continuing operations:				
Revenue from operating activities				
Loan fees	7,022,675	5,871,432	780,465	173,556
Cheque cashing fees	568,871	335,560	-	-
Money transfer fees	113,334	73,635	113,334	-
Other services	96,731	44,719	15,160	-
Management charges - wholly owned entities	-	-	2,500,000	2,102,542
	7,801,611	6,325,346	3,408,959	2,276,098
Revenue from non-operating activities				
Interest income from financial institutions	4,326	74,474	4,326	74,474
Dividends - wholly owned entities	-	-	1,440,000	355,000
	4,326	74,474	1,444,326	429,474
Total revenue from continuing operations	**7,805,937**	**6,399,820**	**4,853,285**	**2,705,572**

3. Expenses included in net profit from continuing operations

Profit before income tax includes the following specific expenses:

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Employment:				
Salary and employee benefits expense	2,174,470	1,781,751	2,174,470	1,273,001
Share based payment	166,666	115,736	166,666	115,736
Contributed superannuation	291,521	164,069	291,521	124,936
Other employment costs	297,510	47,750	226,847	15,651
Total Employment costs	2,930,167	2,109,306	2,859,504	1,529,324
Depreciation and amortisation:				
Leasehold improvements	73,460	46,802	-	-
Motor vehicles	39,629	39,771	39,629	15,994
Furniture, Equipment and Fittings	116,308	103,798	5,785	1,151
Total depreciation and amortisation	229,397	190,371	45,414	17,145
Operating lease				
Rent	339,472	276,069	-	-
Finance costs (a)				
Interest on bank overdrafts and loans	78,939	6,921	78,936	-
Interest on obligations under finance leases	5,235	3,647	1,633	-
Total finance costs	84,174	10,568	80,569	-
(Gain) / loss on disposal of assets	29,194	-	29,194	-

(a) The weighted average interest rate on funds borrowed generally is 11.4% p.a. (2007: 6.6% p.a.).

4. Accumulated profit/(losses)

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Accumulated profit/(loss) at 1 July	1,355,885	498,339	(101,687)	(45,521)
Net profit / (loss)	1,199,460	1,212,121	1,289,582	298,409
Dividend paid	(1,175,397)	(354,575)	(1,175,397)	(354,575)
Accumulated profit/(losses) at 30 June	1,379,948	1,355,885	12,497	(101,687)

5. Income tax

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
(a) Income tax expense				
Current tax expense / (income)	550,044	490,498	4,064	-
Deferred tax expense / (income) related to the origination and reversal of temporary differences in relation to deferred tax assets	51,472	12,510	(28,133)	-
Total tax expense / (income) in the income statement	601,516	503,008	(24,069)	-
Current tax expense is attributable to:				
- Profit from continuing operations	601,516	490,498	(24,069)	-
Deferred income tax (revenue)/expense included in income tax expense comprises:				
- Decrease in deferred tax assets	-	12,510	-	-
- Increase in deferred tax assets	-	-	(28,133)	-
	-	12,510	(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:

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Profit / (loss) from continuing operations before income tax expense	1,800,976	1,715,129	1,265,513	298,409
Income tax calculated at 30% (2007: 30%)	540,292	514,539	379,654	89,523
Add/(less):				
Capital raising costs	(47,792)	(47,792)	(47,792)	(47,792)
Intra-group dividends	-	-	(432,000)	(107,433)
Non deductible expenses	104,332	98,992	76,069	79,358
Unused tax losses (recognised)/not recognised as deferred tax assets	4,684	(62,731)	-	(13,656)
Income tax expense / (income)	601,516	503,008	(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.

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
(c) Current tax liabilities				
Income tax payable attributable to:				
Parent entity	-	-	4,064	-
Entities in the consolidated group	555,449	743,604	-	-
	555,449	743,604	4,064	-

(d) Amounts recognised directly in equity

Aggregate current and deferred tax arising in the reporting period and recognised directly in equity:

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Current tax - credited directly to equity	-	-	-	-
Net Deferred tax debited (credited) directly to equity	-	(242,760)	-	(242,760)
	-	(242,760)	-	(242,760)

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
(e) Deferred tax balances				
Deferred tax assets comprises:				
Capital raising costs	143,375	194,968	143,375	194,968
Provisions	153,490	117,715	127,518	47,792
Recognised Tax Losses	15,818	-	-	-
	312,683	312,683	270,893	242,760
(f) Tax losses				
Unused tax losses for which no deferred tax assets has been recognised	-	41,637	-	-
Potential tax benefit @30%	-	12,491	-	-

All unused tax losses were incurred by Australian entities

(g) Unrecognised temporary differences

There are no unrecognised temporary differences

6. Earnings per share

	Consolidated 2008	Consolidated 2007
(a) Basic and diluted earnings per share		
Basic earnings per share (cents per share)	4.37	4.71
Diluted earnings per share (cents per share)	4.37	4.47

(b) The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	$	$
Earnings used in basic and diluted earnings per share (net profit)	1,199,460	1,212,121
	Number	**Number**
Weighted average number of ordinary shares for the purpose of basic earnings per share	27,424,139	25,707,877

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	27,424,139	25,707,877
Options	-	1,397,260
Weighted average number of ordinary shares diluted	27,424,139	27,105,137

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

7. Dividends

	2008 Cents per share	2008 $	2007 Cents per share	2007 $
Recognised amounts				
Fully paid ordinary shares				
Interim dividend fully franked at 30% tax rate	1.3	357,147	1.3	354,575
Unrecognised amounts				
Fully paid ordinary shares				
Final dividend fully franked at 30% tax rate	3.0	830,306	3.0	818,250

On 30 September 2008, the directors declared a fully franked final dividend of 3 cents per share to the holders of fully paid ordinary shares in respect of the financial year ended 30 June 2008, to be paid to shareholders on 28 November 2008. The dividend will be paid to shareholders on the Register of Members on 14 November 2008. This dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is $830,306.

Dividend Franking Credits

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Franking credits available for subsequent financial years based on a tax rate of 30% (2007 - 30%) (i)	822,210	991,378	144,706	182
Impact on franking account balance of dividends not recognised (ii)	(355,845)	(350,679)	(355,845)	(350,679)
Income tax consequences of unrecognised dividends (ii)	-	-	(211,139)	(350,497)

(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 parent entity to pay fully franked dividend to shareholders on 28 November 2008. The impact on franking account of the dividend recommended by the directors since year end, but not recognised as liability at year end, will be a rduction in the franking account of $355,845 (2007: $350,679)

8. Share options issued

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

	2008 Number	2007 Number
Balance at 1 July	2,000,000	-
Granted during the financial period (i) (ii)	-	2,000,000
Balance at the 30 June	2,000,000	2,000,000

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

(i) Granted during the financial year 2008

No options were granted during the year ended 30 June 2008.

(ii) Granted during the financial period 2007

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

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 2007 and 30 June 2008 no options were exercised.

The weighted average remaining contractual life of outstanding options at 30 June 2008 is 36 months. (2007: 48 months)
The weighted average exercise price is $1.20 (2007: $1.20)
The weighted average share price during the year was $0.64 (2007: $0.99)

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 two years.

As previously noted, no options were issued during the year ended 2008.

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%

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

The following table disclose 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			
	Unvested	Granted	Grant date	Expiry date
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
Robert Bryant	$1.20	$0.25	19-Oct-09
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 (2008: N/A (2007:$1.20)), the term of the option (2008: N/A (2007: 5 years)), the vesting criteria (2008: N/A (2007: 3 years)), the non tradable nature of the option, the share price on the grant date (2008: N/A (2007:$0.87)) and expected price volatility of the share (2008: N/A (2007: 50% - based on historical data for comparable companies)), the expected dividend yield (2008: N/A (2007: 5%)), and the risk free rate (2008: N/A (2007: 5.75%)) for the term of the option.

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

9. Cash and cash equivalents

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Cash at bank and on hand	591,200	893,328	28,699	283,659

The effective interest rate on cash deposits was 5% (2007: 5%); these deposits have no maturity date as they are held in an interest bearing cheque account.

10. Trade and other receivables

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Trade receivables	11,214,444	8,368,462	3,659,131	1,681,772
Allowance for doubtful debts	(415,463)	(258,612)	(163,333)	-
	10,798,981	8,109,850	3,495,798	1,681,772
Advances to controlled entities	-	-	3,311,705	3,108,210
	10,798,981	8,109,850	6,807,503	4,789,982
Current receivables	9,625,065	7,449,430	5,787,584	4,418,806
Non-current receivables	1,173,916	660,420	1,019,919	371,176

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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.

We have used the following basis to assess the doubtful debt required for trade receivables:

- an individual account by account assessment based on past credit history; and
- any prior knowledge of debtor insolvency or other credit risk and
- working with client manager on weekly basis to assess past due 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 $156,851 (2007: increased by $6,917) in the Group and increased by $163,333 (2007: N/A no previous provision) in the company. These amounts relate mainly to customers experiencing financial hardships. This movement was recognised in the income statement.

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.

Refer to note 27 for more information on the risk management policy of the Group.

	Consolidated					
	2008			2007		
	Gross $	Allowance $	Net	Gross $	Allowance $	Net
The aging of the receivables is:						
Current	9,755,415	(299,638)	9,455,777	7,388,558	(157,266)	7,231,292
Not more than 1 month past due	299,210	(15,465)	283,745	210,086	(19,789)	190,297
More than 1 month but not more than 2 months past due	160,055	(11,511)	148,544	103,660	(20,964)	82,696
More than 2 months but not more than 3 months past due	120,308	(16,042)	104,266	88,809	(16,593)	72,216
More than 3 months but not more than 6 months past due	276,317	(35,677)	240,640	178,995	(26,100)	152,895
More than 6 months past due	603,139	(37,130)	566,009	398,354	(17,900)	380,454
TOTAL	11,214,444	(415,463)	10,798,981	8,368,462	(258,612)	8,109,850

	Company					
		2008			2007	
	Gross	Allowance	Net	Gross	Allowance	Net
	$	$		$	$	
The aging of the receivables is:						
Current	3,541,152	(158,509)	3,382,643	1,626,672	-	1,626,672
Not more than 1 month past due	8,315	(4,824)	3,491	55,100	-	55,100
More than 1 month but not more than 2 months past due	3,732	-	3,732	-	-	-
More than 2 months but not more than 3 months past due	2,966	-	2,966	-	-	-
More than 3 months but not more than 6 months past due	29,791	-	29,791	-	-	-
More than 6 months past due	73,175	-	73,175	-	-	-
TOTAL	3,659,131	(163,333)	3,495,798	1,681,772	-	1,681,772

As at 30 June 2008, trade receivables with a carrying amount of $1,343,204 (2007: $878,558) of the consolidated entity and $113,155 (2007: $55,100) for the company were past due but not impaired.

The above past due, but unimpaired receivables relate to customers who have a good credit history with Money3 Corporation Limited. The Group does not hold any collateral in relation to these receivables.

The age of receivables past due but not impaired is as follows:

	Consolidated		Company	
	2008	2007	2008	2007
	$	$	$	$
Not more than 1 month	283,745	190,297	3,491	55,100
More than 1 month but not more than 2 months	148,544	82,696	3,732	-
More than 2 months but not more than 3 months	104,266	72,216	2,966	-
More than 3 months but not more than 6 months	240,640	152,895	29,791	-
More than 6 months	566,009	380,454	73,175	-
TOTAL	1,343,204	878,558	113,155	55,100

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

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Opening balance	258,612	251,695	-	-
- additional provisions	156,851	6,917	163,333	-
Closing balance	415,463	258,612	163,333	-

There are no impaired assets within other receivables and it is expected that other receivables balances will be received when due.

11. Other assets

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Current				
Other debtors	28,487	51,615	30,569	40,760
Prepayments	11,428	10,844	9,882	-
	39,915	62,459	40,451	40,760
Non-Current				
Rental deposits	33,118	33,118	-	-
	33,118	33,118	-	-

12. Property, plant and equipment

CONSOLIDATED

2008	Motor vehicles on hire purchase $	Motor vehicles $	Improvement to Leasehold $	Furniture, Equipment and Fittings $	Total $
Gross carrying amount					
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)
Balance at 30 June 2008	93,500	146,162	569,505	944,343	1,753,510
Accumulated Depreciation					
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
Net carrying amount					
As at 30 June 2008	90,017	68,319	355,470	475,664	989,470

2007	Motor vehicles on hire purchase $	Motor vehicles $	Improvement to Leasehold $	Furniture, Equipment and Fittings $	Total $
Gross carrying amount					
Balance at 1 July 2006	-	55,455	-	154,528	209,983
Cost from entities acquired	43,901	107,363	288,848	347,309	787,421
Additions	-	35,500	158,462	355,159	549,121
Balance at 30 June 2007	43,901	198,318	447,310	856,996	1,546,525
Accumulated Depreciation					
Balance at 1 July 2006	-	19,964	-	116,879	136,843
Depreciation from entities acquired	13,264	39,986	93,773	131,694	278,717
Depreciation expense	1,204	38,567	46,802	103,798	190,371
Balance at 30 June 2007	14,468	98,517	140,575	352,371	605,931
Net carrying amount					
As at 30 June 2007	29,433	99,801	306,735	504,625	940,594

COMPANY

2008	Motor vehicles on hire	Motor Vehicles $	Furniture, Equipment and Fittings $	Total $
Gross carrying amount				
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)
Balance at 30 June 2008	93,500	106,427	66,504	266,431
Accumulated Depreciation				
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
Net carrying amount				
As at 30 June 2008	90,017	68,319	59,568	217,904

2007	Motor vehicles on hire $	Motor Vehicles $	Furniture, Equipment and Fittings $	Total $
Gross carrying amount				
Balance at 1 July 2006	-	36,528	-	36,528
Cost transferred from Subsidiaries	43,901	86,555	-	130,456
Additions	-	35,500	32,185	67,685
Balance at 30 June 2007	43,901	158,583	32,185	234,669
Accumulated Depreciation				
Balance at 1 July 2006	-	4,270	-	4,270
Depreciation transferred from subsidiaries	13,264	39,722	-	52,986
Depreciation expense	1,204	14,790	1,151	17,145
Balance at 30 June 2007	14,468	58,782	1,151	74,401
Net carrying amount				
As at 30 June 2007	29,433	99,801	31,034	160,268

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

The carrying value of plant and equipment held under finance leases and hire purchase contracts at 30 June 2008 is $90,017 (2007: $29,433). Additions during the year include $152,525 (2007: nil) of plant and equipment held under finance leases and hire purchase contracts.

Leased assets and assets under hire purchase contracts are pledged as security for the related finance lease and hire purchase liabilities.

13. Intangible assets

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Computer software (i)	88,273	63,000	88,273	63,000
Goodwill (ii)	15,323,487	15,323,487	-	-
Total intangibles	15,411,760	15,386,487	88,273	63,000

(i) The computer software is purchased as part of a system upgrade and is still under development. It is expected to be completed during 2009 and amortisation will commence during this period also. This software is assessed as having a finite life and will be amortised over the estimated useful life of the asset. This asset is not internally generated. As the asset was not in use during 2007 and 2008 no movement schedule has been included.

(ii) Goodwill

Gross carrying amount				
Balance at beginning of financial year	15,323,487	-	-	-
Amounts recognised from business combination of Money3 Trading Companies (Note 21a)	-	14,598,487	-	-
Amounts recognised from business combination of Money Plus Dandenong (Note 21b)	-	725,000	-	-
Balance at end of the year	15,323,487	15,323,487	-	-
Accumulated Impairment losses				
Balance at beginning of financial year	-	-	-	-
Impairment losses for the year	-	-	-	-
Balance at end of financial year	-	-	-	-
Net book value				
At the beginning of financial year	15,323,487	-	-	-
At the end of financial year	15,323,487	15,323,487	-	-

Allocation of goodwill to cash-generating units
Goodwill has been allocated for impairment testing to cash-generating units as follows:

	Consolidated	
	2008	2007
	$	$
Bellavita Pty Ltd (Northcote)	2,950,808	2,950,808
Hallowed Holdings Pty Ltd (Clayton)	2,815,703	2,815,703
Kirney Pty Ltd (Coburg)	435,287	435,287
Nexia Pty Ltd (Werribee)	1,648,476	1,648,476
Pechino Pty Ltd (Frankston)	1,675,526	1,675,526
Salday Pty Ltd (St Albans)	371,575	371,575
Tannaster Pty Ltd (Moonee Ponds)	3,010,000	3,010,000
Tristace Pty Ltd (Geelong)	1,691,112	1,691,112
Money3 Dandenong Pty Ltd (Dandenong)	725,000	725,000
	15,323,487	15,323,487

All cash-generating units provide financial services specialising in the delivery of small cash loans, personal loans, cheque cashing and international money transfer. The recoverable amount of all cash-generating units is determined based on a value in use calculation which uses cash flow projections based on budgets approved by management covering a five-year period, and a discount rate of 15.5% p.a (2007: 14% p.a). Cash flow beyond the five year period have been extrapolated using 12% growth rate (2007: 12% growth rate). Management believes that this rate is reasonable as the industry is still in its infancy and accordingly, extrapolating beyond a 5 year period is appropriate.

The key assumptions used in the value calculations for all cash-generating units are as follows:
(a) There are no significant changes to the present legislation regulating the credit industry;
(b) Fees and charges remain constant;
(c) Competition remains at a reasonable level; and
(d) Bad Debts level is not unduly affected by the general economic environment.

14. Investment in subsidiaries

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Shares in controlled entities at cost:	-	-	18,067,510	18,067,508

Details on controlled entities are included in Note 26.

15. Trade and other payables

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Trade and other payables	528,096	427,100	369,088	309,512
Advances from controlled entities	-	-	209,552	493,988
	528,096	427,100	578,640	803,500

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.

16. Provisions

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Current				
Employee benefits - current (i)	180,461	158,534	122,210	100,283
Non-Current				
Employee benefits - non-current	28,072	21,623	28,072	21,623

(i) The current provision for employee benefits includes $122,210 (company: $122,210) of annual leave and vested long service leave entitlements accrued but not expected to be taken within 12 months (2007: $100,283 and $100,283 for the Group and the company respectively).

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 $291,521 (2007: $164,069).

c. Share based payments

Total expenses arising from share based payment transactions recognised during the period as part of employee benefit expenses was $166,666 (2007: 115,736)

17 Borrowings

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Current				
Borrowings	1,075,000	-	900,000	-
Hire Purchase liabilities	78,981	34,037	78,981	-
	1,153,981	34,037	978,981	-

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 first charge over certain of the Group's land and buildings.

Bank overdraft, bank loans and bills of exchange bear interest at commercially negotiated rates. All bank borrowings are subject to adherence of 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

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Total facilities				
- Bank overdraft	500,000	500,000	500,000	500,000
- Bank loans and finance lease facilities	79,800	40,000	79,800	-
	579,800	540,000	579,800	500,000
Facilities used at reporting date				
- Bank overdraft	-	-	-	-
- Bank loans and finance lease facilities	78,981	34,037	78,981	-
	78,981	34,037	78,981	-
Facilities unused at reporting date				
- Bank overdraft	500,000	500,000	500,000	500,000
- Bank loans and finance lease facilities	819	5,963	819	-
	500,819	505,963	500,819	500,000
Total facilities				
- Facilities used at reporting date	78,981	34,037	78,981	-
- Facilities unused at reporting date	500,819	505,963	500,819	500,000
	579,800	540,000	579,800	500,000

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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.

Assets pledged as security

	Consolidated 2008	Consolidated 2007	Company 2008	Company 2007
Non-current	**$**	**$**	**$**	**$**
Floating charge				
- Plant and equipment	504,625	940,594	217,904	160,268
Total assets pledged as security	504,625	940,594	217,904	160,268

Under the arrangement of the financial lease 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 is provided in note 26.

18 Deferred revenue

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Deferred revenue	2,923,763	1,988,763	1,068,895	514,729

Deferred revenue relates to application, credit and monthly account keeping fees charged on personal loans.

19. Issued capital

Issued Capital	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Fully paid ordinary shares	21,144,955	20,893,237	22,445,471	22,193,753
Total	21,144,955	20,893,237	22,445,471	22,193,753

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

(a) Issued and fully paid-up ordinary shares

Balance at 1 July	20,893,237	4	22,193,753	20
Issue of shares on DRP	251,718	-	251,718	-
Issue of share capital for acquisitions	-	16,767,000	-	18,067,500
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
Less cost of raising equity	-	(796,527)	-	(796,527)
Transfer to deferred tax reserve	-	242,760	-	242,760
Position at 30 June	21,144,955	20,893,237	22,445,471	22,193,753

(b) Movement in shares on issue

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

	Consolidated 2008		Consolidated 2007	
	ordinary shares	Value $	ordinary shares	Value $
Balance at the beginning of the financial year	27,275,000	20,893,237	4	4
Restatement to number of Parent Entity shares	27,275,000	20,893,237	2,000,000	4
Issued during the year:				
Issue of shares on DRP	401,856	251,718	-	-
(i) Issue of share capital for acquisitions	-	-	20,075,000	16,767,000
(ii) Issue of 5,000,000 shares at $0.90 each	-	-	5,000,000	4,500,000
(iii) Issue of 200,000 shares at $0.50 each	-	-	200,000	100,000
(iv) Discount on 200,000 shares of $0.40 each	-	-	-	80,000
(v) Initial public offer costs	-	-	-	(796,527)
(vi) Transfer to deferred tax reserve	-	-	-	242,760
Balance at end of financial year 30 June 2008 27,676,856 shares fully paid	27,676,856	21,144,955	27,275,000	20,893,237

(i) On 1 July 2006 the Company issued 20,075,000 shares at $0.90 each to acquire nine Money3 Trading Companies.

(ii) In August and September 2006 the Company raised, under a prospectus dated 7 August 2006, $4,500,000 via the issue of 5,000,000 ordinary shares at $0.90 each.

(iii) Under the same prospectus mentioned in (ii) above, the Company raised $100,000 via the issue of 200,000 ordinary shares to employees at $0.50 each.

(iv) The shares issued to employees mentioned in (iii) above were issued at a discount of $0.40 each.

Costs associated with these equity raisings amounted to $796,527 which resulted in a net equity raising of $3,803,474.

(c) Movements in share options

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

	2008 Number	2007 Number
Balance at 1 July	2,000,000	-
Granted during the financial period	-	2,000,000
Exercised during the financial period	-	-
Lapsed during the financial period	-	-
Balance at 30 June	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.

The company has 27,676,856 shares on issue, with 13,516,375 are held in escrow to 19 October 2008.

Options
The company has 2,000,000 options held in escrow to 19 October 2008. The holders of the restricted options are not permitted to exercise those options until after 19 October 2009.

20. Reserves

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Share option reserve				
Balance at 1 July	115,736	-	115,736	-
Charged to revenue for the year	166,666	115,736	166,666	115,736
Balance at 30 June	282,402	115,736	282,402	115,736

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

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 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Cash at bank and on hand (Note 9)	591,200	893,328	28,699	283,659

(b) Reconciliation of operating profit after income tax to net cash flows from operating activities:

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Net Profit after tax	1,199,460	1,212,121	1,289,582	298,409
Non cash items:				
Depreciation and amortisation expense	229,398	190,371	45,414	17,145
Loss on sale of Fixed Assets	29,194	-	29,194	-
Doubtful debts allowance	163,768	-	163,333	-
Employee share discount	-	80,000	-	80,000
Share based payment	166,666	115,736	166,666	115,736
Investing activities:				
Dividend from subsidiaries	-	-	(1,440,000)	-
Changes in assets and liabilities:				
(Increase)/decrease in assets				
Trade and other receivables	(2,830,411)	(3,726,082)	(1,977,105)	(3,922,129)
Deferred tax assets	-	(312,863)	(28,133)	(242,760)
Increase/(decrease) in liabilities				
Trade and other payables	101,053	(64,510)	59,632	203,466
Deferred revenue	935,000	1,031,124	554,166	514,729
Tax	(188,155)	338,739	4,064	-
Provisions for employee entitlements	28,375	127,042	28,375	121,906
Cash flows from operations	(165,652)	(1,008,322)	(1,104,813)	(2,813,498)

(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	-

Non cash investment activities involving the issue of shares or acquisition of businesses is disclosed at Note 22.

22. Business combinations

(a) Money3 trading companies- acquisition of business and assets

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
Bellavitta Pty Ltd (Northcote)	3,375,000
Hallowed Holdings Pty Ltd (Clayton)	3,300,000
Kirney Pty Ltd (Coburg)	537,500
Nexia Pty Ltd (Werribee)	1,850,000
Pechino Pty Ltd (Frankston)	1,875,000
Salday Pty Ltd (St Albans)	537,500
Tannaster Pty Ltd (Moonee Ponds)	3,220,000
Tristace Pty Ltd (Geelong)	1,935,000
Total	**20,075,000**

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 AASB 3 Business Combinations. 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:

	Acquiree's carrying amount before business combination $	**Fair value adjustments (i) $**	**Fair value $**
Purchase Consideration:			
Net Tangible Assets Acquired			
Cash and cash equivalents	475,685	-	475,685
Trade and other receivables	3,544,441	(219,762)	3,324,679
Plant and equipment	490,480	-	490,480
Other assets - current and non-current	407,707	-	407,707
Trade and other payables and deferred revenue	(1,456,387)	-	(1,456,387)
Employee entitlements (current and non-current)	(52,425)	-	(52,425)
Borrowings - current	(1,021,226)	-	(1,021,226)
Total			2,168,513
Goodwill on Acquisition (ii)			14,598,487
Purchase Consideration (iii)			16,767,000

(i) The carrying amount of the trade receivables have been adjusted for doubtful debt allowance of $219,762 to give a fair value of $3,324,679.

(ii) Goodwill on acquisition represents the premium paid for entry into the market, the customer base and the expertise and knowledge of the company's employees.

(iii) 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) Money3 Dandenong Pty Ltd- acquisition of business and assets

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 and the customer base.

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:

	Acquiree's carrying amount before business combination	Fair value adjustments	Fair value
	$	$	$
Net Tangible Assets Acquired (at fair value):			
Cash and cash equivalents	11,146	-	11,146
Trade and other receivables	235,032	-	235,032
Plant and equipment	75,000	-	75,000
Sub total			321,178
Goodwill on Acquisition			725,000
Purchase Consideration - cash			1,046,178

The parent entity advanced cash of $1,050,000 to Money3 Dandenong Pty Ltd by way of an investment in the controlled entity to fund the acquisition.

23. Subsequent event

Dividends
On 30 September 2008, the directors declared a fully franked final dividend of 3 cents per share to the holders of fully paid ordinary shares in respect of the financial year ended 30 June 2008, to be paid to shareholders on 28 November 2008. The dividend will be paid to shareholders on the Register of Members on 14 November 2008. This dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is $830,306.

Other events
Other than disclosed above and 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, results or state 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 Victoria, Australia.

25. Contingent liabilities

The Company has no contingent liabilities as at 30 June 2008 (2007: nil).

26. Controlled entities

The consolidated financial statements incorproate the assets and liabilities and results of the following subsidiaries in accordance with the accounting policy descripbed in note 1 (f).

Controlled entities of Money3 Corporation Limited (parent entity)

	Country of incorporation	Percentage of equity held by the consolidated entity		Acquisition Date
		2008	2007	
Money3 Ballarat Pty Ltd	Australia	100	100	1-Nov-06
Money3 Dandenong Pty Ltd	Australia	100	100	1-Nov-06
Money3 Franchising Pty Ltd	Australia	100	100	16-Apr-07
Money3 Reservoir Pty Ltd	Australia	100	100	1-Nov-06
Money3 Wodonga Pty Ltd	Australia	100	-	13-Mar-08
Antein Pty Ltd (Glenroy)	Australia	100	100	1-Jul-06
Bellavita Pty Ltd (Northcote)	Australia	100	100	1-Jul-06
Hallowed Holdings Pty Ltd (Clayton)	Australia	100	100	1-Jul-06
Kirney Pty Ltd (Coburg)	Australia	100	100	1-Jul-06
Nexia Pty Ltd (Werribee)	Australia	100	100	1-Jul-06
Pechino Pty Ltd (Frankston)	Australia	100	100	1-Jul-06
Salday Pty Ltd (St Albans)	Australia	100	100	1-Jul-06
Tannaster Pty Ltd (Moonee Ponds)	Australia	100	100	1-Jul-06
Tristace Pty Ltd (Geelong)	Australia	100	100	1-Jul-06

	Investment	
	$	$
Money3 Ballarat Pty Ltd	2	2
Money3 Dandenong Pty Ltd	2	2
Money3 Franchising Pty Ltd	2	2
Money3 Reservoir Pty Ltd	2	2
Money3 Wodonga Pty Ltd	2	-
Antein Pty Ltd (Glenroy)	3,100,500	3,100,500
Bellavita Pty Ltd (Northcote)	3,037,500	3,037,500
Hallowed Holdings Pty Ltd (Clayton)	2,970,000	2,970,000
Kirney Pty Ltd (Coburg)	483,750	483,750
Nexia Pty Ltd (Werribee)	1,665,000	1,665,000
Pechino Pty Ltd (Frankston)	1,687,500	1,687,500
Salday Pty Ltd (St Albans)	483,750	483,750
Tannaster Pty Ltd (Moonee Ponds)	2,898,000	2,898,000
Tristace Pty Ltd (Geelong)	1,741,500	1,741,500
Total	18,067,510	18,067,508

All entities operated solely in their place of incorporation.

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.

Company 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.

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 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 2007.

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 17, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 19,20 and 4 respectively. None of the Group's entities are subject to externally imposed capital requirements.

Money3 Corporation Limited is not subject to any financial covenants.

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 bo 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 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Financial assets					
Debt (a)	17	1,075,000	-	900,000	-
Cash and cash equivalents	9	591,200	893,328	28,699	283,659
Net cash/(debt)		(483,800)	893,328	(871,301)	283,659
Equity (b)	19	21,144,955	20,893,237	22,445,471	22,193,753
Net debt to equity ratio		-2%	4%	-4%	1%

(a) Debt is defined as long-term and short-term borrowings, as detailed in note 17.
(b) Equity

(a) Market risk

(i) Foreign Currency Risk

Money3 Coprorpation 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 very 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 for both derivative and non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date. At 30 June 2008, 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	
	2008	2007	2008	2007
	Interest rate range		Interest rate range	
	From - To	From - To	From - To	From - To
	%	%	%	%
Australian dollar interest rates				
Financial assets				
Cash and cash equivalents	5%	5%	5%	5%
Financial liabilities				
Borrowings	10% - 13.25%	13.25%	10% - 13.25%	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.

Interest Rate Sensitivity Analysis

	-1%		+1%	
Consolidated	**Profit**	**Equity**	**Profit**	**Equity**
30 June 2008				
Financial Assets				
Cash and cash equivalents	(865)	(606)	865	606
Financial Libilities				
Borrowings	7,329	5,130	(7,329)	(5,130)
30 June 2007				
Financial Assets				
Cash and cash equivalents	(14,895)	(10,426)	14,895	10,426
Financial Libilities				
Borrowings	798	558	(798)	(558)
Company				
30 June 2008				
Financial Assets				
Cash and cash equivalents	(865)	(606)	865	606
Financial Libilities				
Borrowings	7,329	5,130	(7,329)	(5,130)
30 June 2007				
Financial Assets				
Cash and cash equivalents	(14,895)	(10,426)	14,895	10,426
Financial Libilities				
Borrowings	798	558	(798)	(558)

(iii) Price Risk

Price risk is the risk that future cashflows derived from financial instruments will be changed as a result of a market pri movement, other than interest rates. The company and group are not exposed to any material commodity price risk, o 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 manage credit risk by respecting it's customers for what they are and adopt the following 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.

The maximum exposure to credit risk is the carrying value of the financial assets as disclosed in Note 10. Trade receivables represent a concentation of risk for Money3 Corporation Limited.

(c) Liquidity risk analysis

Liquidity risk is the risk that the company and group will not be able to pay its 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.

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.

2008		**Consolidated**			
		< 1 year	**1-5 years**	**> 5 years**	**Total**
	%	**$**	**$**	**$**	**$**
Financial Liabilities:					
Borrowings		1,075,000	-	-	1,075,000
Trade and other payables		1,264,007	28,072	-	1,292,079
Lease Liabilities		15,267	91,714	-	106,981
Total Financial Liabilities		2,354,274	119,786	-	2,474,060

2007	**Consolidated**			
	< 1 year	**1-5 years**	**> 5 years**	**Total**
	$	**$**	**$**	**$**
Financial Liabilities:				
Trade and other payables	427,100	-	-	427,100
Lease Liabilities	34,037	-	-	34,037
Total Financial Liabilities	461,137	-	-	461,137

2008	Parent			
	< 1 year	1-5 years	> 5 years	Total
	$	$	$	$
Financial Liabilities:				
Borrowings	900,000	-	-	900,000
Trade and other payables	704,913	28,072	-	732,985
Lease Liabilities	15,267	91,714	-	106,981
Total Financial Liabilities	1,620,180	119,786	-	1,739,966

2007	Parent			
	< 1 year	1-5 years	> 5 years	Total
	$	$	$	$
Financial Liabilities:				
Trade and other payables	803,500	-	-	803,500
Lease Liabilities	-	-	-	-
Total Financial Liabilities	803,500	-	-	803,500

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.

(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 option to renew is exercised.

	Consolidated 2008	Consolidated 2007	Company 2008	Company 2007
	$	$	$	$
Lease expenditure commitments				
Operating leases (non-cancelable)				
Minimum lease payments				
- not later than one year	370,834	342,627	-	-
- later than one year but not later than five years	473,719	810,785	-	-
Total minimum payments	844,553	1,153,412	-	-

Hire purchase

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Hire purchase commitments				
- not later than one year	15,267	34,037	-	-
- later than one year but not later than five years	91,714	-	-	-
Total minimum payments	106,981	34,037	-	-

Hire purchase commitments relate to motor vehicle and are secured.

29. Auditor's remuneration

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
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	134,755	137,753	134,755	137,753
Other services in relation to the entity and any other entity in the consolidated entity - due diligence services related to acquisitions and to the IPO	-	185,875	-	185,875
Total remuneration of auditors	**134,755**	**323,628**	**134,755**	**323,628**

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 Austra
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:

	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Short term employee benefits	444,064	380,000	444,064	380,000
Post employment benefits	34,170	32,400	34,170	32,400
Other long term benefits	-	-	-	-
Share based payments	166,666	115,736	166,666	115,736
Total	644,900	528,136	644,900	528,136

(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

During part of the prior year the Company had an interest free unsecured loans of $225,000 from each of the Directors, Robert Bryant and Kang Hong Tan. The total balance as at 1 July 2006 was $450,000. The amount was repaid in full from the proceeds of the IPO.

During this financial year the Company has 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 2008 is $400,000 (2007: nil) as disclosed in Note 17. The loan transaction were 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. The average interest rate on loans during the year was 11.04% (2007: n/a). This outstanding loan balance is due and payable within 5 days of receiving notice to repay.

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

(e) Key management personnel equity holdings

Details of key management personnel equity holdings are disclosed below:

	Balance at 1 July 2007	Granted as remuneration	On exercise of options	Net change other	Balance as at 30 June 2008
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
Bettina Evert	3,000	-	-	201	3,201
Total	**13,539,875**	**-**	**-**	**207,865**	**13,747,740**

	Balance at 1 July 2006	Granted as remuneration	On exercise of options	Net change other	Balance as at 30 June 2007
Robert Bryant	900,000	-	-	7,231,625	8,131,625
Kang Hong Tan	900,000	-	-	3,738,125	4,638,125
Christopher Baldwin	200,000	-	-	567,125	767,125
Bettina Evert	-	-	-	3,000	3,000
Total	**2,000,000**	**-**	**-**	**11,539,875**	**13,539,875**

(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 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
Total	**2,000,000**	**-**	**-**	**-**	**2,000,000**	**-**	**-**	**2,000,000**

	Balance as at 1 July 2006	Received as remuneration	Options exercised	Net change other	Balance as at 30 June 2007	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
Total	**-**	**2,000,000**	**-**	**-**	**2,000,000**	**-**	**-**	**2,000,000**

(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 2008 $	Consolidated 2007 $
Interest paid to Robert Bryant	11,628	-
Interest paid to Kang Hong Tan	11,628	-
IPO costs paid to Fetter Gdanski Pty Ltd (*)	-	185,000
Accounting and taxation fees paid to Brown Baldwin Melbourne Pty Ltd (**)	19,542	25,481
	42,798	210,481

(*) Bettina Evert is a director of Fetter Gdanski Pty Ltd
(**) 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.

(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 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
The following transactions occurred with related parties:				
Dividend received from related party	-	-	1,440,000	355,000
Interest received from related party	-	-	-	-
Interest paid to related party	-	-	-	-
Total	-	-	1,440,000	355,000

Accounts receivable and payable from and to entities in the wholly owned group are disclosed in Notes 10 and 15 and relate to cash advances and expenses re-allocated to and from the parent. No provision for doubtful debts have 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 unsecured and are repayable in cash.

(i) Transactions with other related parties

Other related parties include:
- There are no other related party transactions

Notes to the financial statements
For the year ended 30 June 2008

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 4 September 2008.

(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	25	22,367,057	2	2,000,000
10,001 to 100,000	106	3,659,271	-	-
5,001 to 10,000	91	676,421	-	-
1,001 to 5,000	333	970,207	-	-
1 to 1,000	8	3,900	-	-
Total	563	27,676,856	2	2,000,000
The number of ordinary shares under voluntary escrow until 19 October 2008 are:	7	13,516,375	-	-
The number of shareholders holding less than a marketable parcel of shares are:	10	6,033	-	-

(b) Twenty largest holders of quoted shares are:

	Listed Ordinary Shares	
Name of Holder	**No. of Shares**	**% of Holding**
1. Cranchi Pty Ltd	8,024,517	28.99%
2. Platey Pty Ltd	3,445,000	12.45%
3. Belstock Pty Ltd	2,383,125	8.61%
4. Quickdou Pty Ltd	1,200,695	4.34%
5. Kang Hong Tan & Hwea Chong Tan <Tan Superannuation Fund Ac>	1,190,022	4.30%
6. Jagen Nominees Pty Ltd	654,555	2.36%
7. Veritas Holdings Pty Ltd	622,250	2.25%
8. Balmoor Pty Ltd	561,625	2.03%
9. Coolgleam Pty Ltd	544,125	1.97%
10. Ecroroam Pty Limited <Superannuation Fund Ac>	470,000	1.70%
11. Ninth Nell Pty Ltd	408,636	1.48%
12. Tal-Trans Pty Ltd	398,630	1.44%
13. Ardmona Gold Pty Ltd	308,125	1.11%
14. Baldwin Brothers Investments Pty Ltd <Inspiration Ac>	300,000	1.08%
15. Graeme Wood & Carol Wood <G H & C A Wood Unit Ac>	240,125	0.87%
16. Mr Wayne Hosking & Miss Bernadette Williams <The Hosking Super Fund Ac>	237,203	0.86%
16. Kiralee Pty Ltd	215,625	0.78%
17. Felsaero Pty Ltd	212,122	0.77%
18. Toonit Pty Ltd	200,000	0.72%
18. Robert Bryant & Patricia Bryant	200,000	0.72%
19. Leonardo Madafferi & Caterina Madafferi	171,832	0.62%
20. Jitterbug Investments Pty Ltd	165,000	0.60%
Top twenty shareholders	**22,153,212**	**80.04%**
Total issued capital	**27,676,856**	**100.00%**

Notes to the financial statements
For the year ended 30 June 2008

(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:

	No. of Shares	% Held
Cranchi Pty Ltd	8,024,517	28.99%
Platey Pty Ltd	3,445,000	12.45%
Belstock Pty Ltd	2,383,125	8.61%

(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 (2007: 2,000,000) options on issue as follows:

Director Options
The Company has issued a total of 2,000,000 options (2007: 2,000,000 options) to the Directors (or their nominees) ("Director Options").

1,000,000 options (2007: 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