MONEYSWITCH LIMITED
(Trading as Tyro Payments)

ABN 49 103 575 042

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

MONEYSWITCH LIMITED

ABN 49 103 575 042

CORPORATE INFORMATION

Directors
Robert A Ferguson (Chairperson)
Bradford L Banducci
William J Bartlett
Thomas J Girgensohn
Jost Stollmann

Company Secretary
Justin V Mitchell

Registered Office
Level 2, 125 York Street
Sydney, New South Wales, 2000
(02) 8907 1700

Solicitors
Sparke Helmore

Auditors
Ernst & Young

Internet Address
www.tyro.com

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MONEYSWITCH LIMITED

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DIRECTORS' REPORT

Your Directors submit their report for the year ended 30 June 2007.

DIRECTORS

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

Names, qualifications, experience and special responsibilities

Robert A Ferguson (Non-Executive Chairperson)
Non-Executive Director since 14 November 2005.

Rob began his career as a Research Analyst for a Sydney stockbroker. He joined Bankers Trust Australia as a portfolio manager in 1972 when the company's turnover totalled $6 million and became Managing Director in 1985. Through his ongoing delivery of higher investment performance, he and his team built BT Funds Management into the leader in the retail mutual funds business. By the mid-1990s, Bankers Trust had $50 billion under management. Following the sale of the funds management arm of Bankers Trust to Principal Financial Group in 1999, Rob became Chairman of BT Funds Management until he resigned the position in 2002.

During the past three years Rob has served as a Director of the following companies:

- IMF (Australia) Pty Ltd*
- IMG Investment Management Limited*
- Lowy Institute for International Policy*
- MoneySwitch Limited*
- Pamlex Pty Ltd*
- Shirf Pty Ltd*
- The Sydney Institute*
- The Sydney Writers Festival Limited*

* denotes current Directorship

Bradford L Banducci (Non-Executive Director)
Non-Executive Director since 14 December 2006.

Brad spent 15 years working for The Boston Consulting Group (BCG) in Australia, USA and New Zealand. BCG is a leading global management consulting firm that specialises in working with the global 2000 companies to grow and transform their businesses. Brad spent the last 8 years as a global Vice President and Director of BCG. He was the leader of the Sydney Office from 2001-2003 and Head of its Asia Pacific Corporate Strategy and Finance Practice from 2003-2005. Brad was the Chief Financial Officer of MoneySwitch from August 2005 until October 2006.

During the past three years, Brad has served as a Director of the following companies:

- MoneySwitch Limited*
- Boston Consulting Group Pty Limited (Ceased 1 Apr 2005)

*denotes current Directorship

Bill Bartlett FCA, CPA, FCMA, CA (SA) **(Non-Executive Director)**
Non-Executive Director since 21 February 2004

- Expertise: Chartered Accountant, actuarial, insurance and financial services

Bill is a Fellow of the Institute of Chartered Accountants, with over 35 years experience in accounting, and was a partner at Ernst & Young in Australia for 23 years, retiring on 30 June 2003. He is a director of the Bradman Foundation and Museum and MoneySwitch Limited.

During the past three years, Bill has served as a director of the following companies:

- Suncorp-Metway Limited *
- Reinsurance Group of America Inc (NYSE)*
- Peptech Limited*
- Abacus Property Group*
- GWA International Limited
- Retail Cube Limited (2004 – 2006)

*denotes current directorship

Denis A Calvert (Non-Executive Director)
Non-Executive Director since 14 April 2004 until 13 November 2006.

Denis Calvert has EFTPOS and acquiring skills, having been Executive Vice President for Global Sales and Marketing of Verifone Inc, a major EFTPOS supplier. He was Division Head of Retail and Merchant Services for Citibank North America, responsible for the integration of all global merchant services operations. He was also Chief Executive Officer of Tasq Technology Inc. which provides outsourced EFTPOS technology and logistical support to more than 1.4M retail merchants. Denis is currently an advisor to several EFTPOS manufacturers and payment processors.

During the past three years Denis has served as a director of the following company:

- Verifone Australia Pty Ltd

* denotes current directorship

Richard Freemantle (Non-Executive Director)
Non-Executive Director from 20 June 2003 until 25 June 2007.

Richard has been involved in establishing and growing companies for more than 20 years. Starting in the early 1980s he created Network Solutions, which grew under his leadership to become Australia's largest and most successful network integration company.

In 1990 Richard established the first international subsidiary for Cisco Systems in Australia. As this grew into one of Cisco's key international markets, Richard was promoted to build Cisco's operations in Europe and then promoted to Senior Vice President and member of Cisco's senior management team. He returned to Australia to establish the Cisco Asia Pacific headquarters, growing the business to more than 4000 staff and US$3B in revenue.

Since retiring from Cisco, Richard has worked on a number of boards of technology start-up companies, including as Chairperson for the successful public float of Eserv Global in 2002.

Richard has not held any other directorships of companies in the past 3 years.

Dr Thomas J Girgensohn (Non-Executive Director)
Non-Executive Director since 9 March 2006.

Thomas Girgensohn brings to MoneySwitch Limited extensive experience in the consulting sector in both Australia and internationally. He was previously a Managing Partner (Australia and New Zealand) of the Boston Consulting Group and was also a former chairman of Netcomm Ltd and TDG Logistics. Dr Girgensohn has a PhD in Business Administration from the University of Munich, a Master of Business Administration from the University of Saarbrucken and a Bachelor of Economics from the University of Bochum, all in Germany. Dr Girgensohn is a current Fellow of the Australian Institute of Company Directors.

During the past three years Thomas has served as a Director of the following companies:

- Australian Co-operative Foods Limited*
- Beviron Pty Limited
- Compass Resources Ltd*
- MoneySwitch Limited*
- Stemcor Australia Pty Ltd*

* denotes current Directorship

Jost Stollmann (Director and Chief Executive Officer)
Executive Director and Chief Executive Officer since 5 April 2005.

Jost founded and grew the German system and network integrator CompuNet Computer AG into a US$1B company, sold it to GE Capital and led the integration and expansion of GE Capital IT Solutions across the continent as President of Europe. As Federal Shadow Minister of Economy and Technology, he ran and managed his own election campaign, contributing significantly to the landslide victory of the first German government of Chancellor Gerhard Schröder.

Jost has not held any other directorships of companies in the past 3 years.

Paul A Wood (Non-Executive Director)
Director from 3 February 2003 until 25 June 2007.

Paul has been in the network technology business throughout his career, most recently at Cisco Systems in a business development role. He was the co-founder and Chief Executive Officer of Metaplex, a networking software business that was purchased by Cisco Systems in 1996. Metaplex developed products that allowed IBM networking systems to use Internet protocols. Metaplex was a key contributor to Data Link Switch (DLSW), which is in service in most banks worldwide today.

Paul was the founder and Chief Executive Officer of Netlink, a venture capital based data communications company that developed products in the mainframe networking area. Netlink was sold to Cabletron Systems, a US public company. Paul's initial experience was in networking, technical and product management roles at IBM. Paul was Chief Executive Officer of MoneySwitch Limited from 3 February 2003 until 5 April 2005 and Chief Technical Officer from 5 April 2005 until 30 November 2006.

Paul has not held any other directorships of companies in the past 3 years.

COMPANY SECRETARY

Justin Mitchell
Company Secretary since 12 April 2007.

Justin is the Audit & Compliance Manager at MoneySwitch Limited. Justin has worked in the financial services and banking industry for over ten years and has previously established an Internal Audit function, developed Risk frameworks, implemented internal compliance controls and developed and delivered enterprise wide risk training.

Justin has not held any directorships of companies in the past 3 years.

Interests in the shares and options of the company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of MoneySwitch Limited were:

Person	Ordinary Shares	Options over Ordinary Shares
Robert A Ferguson	5,258,413	76,457
Brad Banducci	1,505,849	3,243,435
William J Bartlett#	1,107,555	430,303
Dennis A Calvert%	2,831,313	430,303
Richard Freemantle*	6,111,112	770,303
Thomas J Girgensohn^	3,485,513	57,063
Jost Stollmann	17,510,038	1,565,455
Paul A Wood@	9,834,315	3,950,689

Shares jointly held with Delwyn Bartlett.
%Includes ordinary shares and options held by Tamoda Pty Ltd being an associate of Denis A Calvert.
* Includes Ordinary Shares held by Cazalla Developments Pty Ltd being an associate of Richard Freemantle.
^ Includes Ordinary Shares and options held by Dacroft Pty Ltd being an associate of Thomas J Girgensohn.
@Includes Ordinary Shares and options held by Pamela R Wood and Mark A Wood being associates of Paul A Wood.

DIVIDENDS

No dividends have been declared or paid since the date of incorporation.

CORPORATE INFORMATION

Corporate Structure

MoneySwitch Limited is an unlisted public company. It is incorporated and domiciled in Australia. The registered office of MoneySwitch Limited is Level 2, 125 York Street, Sydney, New South Wales, 2000.

Nature of operations and principal activities

MoneySwitch Limited principal activities are:

- Providing electronic transaction acquiring services to Australian businesses (merchants). This includes the authorisation, clearing and settlement of credit card and pin based debit card transactions. It also includes the provision of direct debit services.
- Developing the transaction switching and payment software and infrastructure required to support the provision of credit and debit acquiring services.

There have been no significant changes in the nature of those activities during the year.

Employees

The company employed 34 employees as at 30 June 2007 (compared to 28 employees at 30 June 2006).

OPERATING AND FINANCIAL REVIEW

Overview

MoneySwitch Limited was founded on 3 February 2003 by Paul Wood, Peter Haig and Andrew Rothwell. Paul Wood recently resigned from his non-executive Directorship on the 25 June 2007 whilst the remaining two founders have maintained their active association with MoneySwitch Limited. Peter Haig is Vice President of Engineering and Andrew Rothwell is a Senior Software Engineer.

Credit and Debit Acquiring Services

MoneySwitch Limited is a specialist financial institution focussed on providing credit and debit acquiring services. As such, the Company has implemented the necessary frameworks, policies, procedures and systems to comply with the stringent prudential and regulatory requirements to perform electronic transaction processing, clearing and settlement activities within the Australian banking sector.

Software development

MoneySwitch Limited's focus is on using proven modern technology to provide extremely reliable, secure, low cost and flexible acquiring services to merchants and value-added resellers. As such, MoneySwitch Limited owns its own switching and payment software and has continued to develop this for further competitive advantage over the course of the year.

General Release

MoneySwitch Limited completed a pilot program of its acquiring services over the later part of 2006 and into the beginning of 2007. MoneySwitch Limited relaunched the business as Tyro Payments in April 2007 reflecting the company's focus on commercialisation of its strong technology base as the company becomes an emerging operational business.

Performance Indicators

The Board and Management monitor MoneySwitch Limited's overall performance - from risk management and overall business positioning through to the performance of the Company - against software engineering development plans, business performance operating plans and financial budgets.

The Board, together with Management, have identified key milestones and deadlines that are used to monitor MoneySwitch Limited's development. Directors receive reporting for review prior to each Board and Committee meeting.

Operating Results for the Year

The Company reported an operating loss after providing for income tax of $6,299,373 (2006: $4,386,098 loss). This result was in line with expectations given that the Company is still in the development stage of its lifecycle prior to becoming an operational business.

	2007		2006	
	Revenues	**Operating Loss**	**Revenues**	**Operating Loss**
MoneySwitch Limited	$502,2212	$6,229,373	$631,945	$4,386,098

Investments for Future Performance

The Company is investing significant human resources to develop its switching and payments system architecture. It has also invested in the purchase of computer servers and networking and security monitoring equipment to ensure sufficient scalability and performance of the production IT infrastructure to meet the expected demand for acquiring services.

In parallel, the Company has been building the non-engineering capability of the business to support the sales and operations functions after the general release of acquiring services.

Review of Financial Condition

Capital Structure

During the period, the Company issued 11,666,667 ordinary shares and raised $3,500.000 of additional capital. The capital was raised to ensure that MoneySwitch Limited was fully compliant with the prudential capital requirements imposed on it by the Australian Prudential Regulation Authority (APRA) and to fund on-going operations.

The capital raising was completed on 26 June 2007; 11,666,667 ordinary shares were issued at $0.30 per share totalling $3,500,000.

As at 30 June 2007 the Company had accounts payable of $339,842.

Cash from Operations

MoneySwitch Limited continued to operate at a loss for the 2006/7 financial year, in line with the fact that the Company is emerging into the operational phase of its lifecycle.

The Company had interest income of $454,736 for the period.

Liquidity and Funding

The Company had cash-on-hand of $5,568,051 at the end of the period plus Government Bonds of $1,806,048.

Under MoneySwitch Limited's banking authority as a Specialist Credit Card Institution (SCCI), the Company is required by APRA to hold Tier 1 capital in the greater of the following two amounts:

(a) $5 million; or
(b) 20% of the value of the risk weighted on and off balance sheet credit exposures of the company (at the time of calculation).

The total Tier 1 capital held by MoneySwitch Limited as at 30 June 2007 was $8,614,081, the company has always held sufficient capital to meet APRA's Tier 1 capital requirements.

Risk Management

MoneySwitch Limited is prudentially supervised by the Australian Prudential Regulation Authority (APRA) and is required to comply with prudential standards and provide quarterly capital adequacy and liquidity reporting. The Company has undertaken substantive improvements to the risk management frameworks, policies, procedures and systems required to ensure on-going compliance with regulatory requirements and to satisfy both business needs and external stakeholders.

Statement of Compliance

This report is based on the guidelines in The Group of 100 Incorporated Publication *Guide to the Review of Operations and Financial Condition*.

Capital Resource

Although the Company has made operating losses in the prior 3 years, this is inline with expectations given that MoneySwitch Limited was in the start-up phase of its business development. MoneySwitch Limited has sufficient cash and any additional cash requirements will be met by fundraising activities for the 2007/8 financial year to pay its debts as and when they become due and payable. It is also able to manage and control its expenses. For these reasons the directors believe the Company is a viable going concern as the next phase of the business plan, which is one of an emerging operational business, approaches.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 19 September 2006 APRA approves MoneySwitch Limited to commence credit and debit card acquiring for merchants under a pilot program and within certain parameters.

On 21 September 2006 the Board of Directors elects Rob Ferguson Chairperson.

On 11 November 2006 MoneySwitch Limited signed up its first merchant agreement with Sean and Elizabeth Gallagher of Mowbray Cellars, Mowbray Cellars became the first merchant to use the MoneySwitch new generation EFTPOS facility.

On 13 November 2006 Denis Calvert resigns as Non-Executive Director to avoid a perceived conflict of interest.

On 30 November 2006 Paul Wood (co-founder of MoneySwitch Limited) leaves the Company as Chief Technology Officer. He stays on as Non-Executive Director.

On 14 December 2006 Brad Banducci is appointed as Non-Executive Director of the Board and Garry Duursma is appointed Vice President Sales and Marketing.

On 21 December 2006 Philippa Godwin, Deputy CEO of Medicare Australia, and Jost Stollmann, CEO of MoneySwitch Limited, signed the EasyClaim Medicare Accreditation and Service Contract. This follows the Government's decision and announcement by the Prime Minister on 13 August 2006 to introduce electronic Medicare claiming from doctor surgeries.

On 19 March 2007 APRA removes the pilot program parameters and approves MoneySwitch Limited to provide banking services to the general public. Since this time MoneySwitch Limited has signed up 145 merchants and deployed 212 terminals into production across the merchant portfolio.

On 20 April 2007 Toyota Financial Services and Tyro Payments signed a partner services agreement for the marketing and deployment of a state-of-the-art acquiring solution into the network of Toyota affiliated motor dealers.

On 24 April 2007 MoneySwitch Limited is the first Visa Member and first organisation in Australia to be certified by VISA as PCI Compliant.

On 26 April 2007, MoneySwitch Limited changes its trading name to Tyro Payments and undertakes a general release of its acquiring services to the public.

On 2 May 2007 HCM announced that they have formed a partnership with Tyro to launch the only Medicare “EasyClaim” solution, integrated with Practice Management Software, on the market. The solution also includes integrated EFTPOS.

On 25 June 2007 Paul Wood and Richard Freemantle resign as Non-Executive Directors.

On 15 July 2007 Moneytech and Tyro Payments signed a marketing agreement to offer merchant customers Tyro’s state-of-the-art acquiring solution in conjunction with Moneytech’s commercial credit card programme.

On 31 July 2007 a TiO (Territory Insurance Office) Media Release announced its strategic partnership with Tyro to better service small business in the Northern Territory. The partnership will provide small business with the opportunity to access credit card/EFTPOS terminals incorporating the latest technology.

On 26 June 2007 a further $3.5m capital was raised to meet APRA's prudential requirements and to fund the on-going operations of the business.

By the 30 June 2007 MoneySwitch Limited processed $6.3m by transaction value and this volume continues to grow, as at 31 August 2007 the transaction value processed was $12.8m.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature which, in the opinion of the directors of the company, will significantly affect the operation of the company, the results of these operations or the state of affairs of the company in future financial years.

After the balance date the Remuneration Committee resolved in their meeting on 14 August 2007 to award a discretionary bonus to the Officer Group in the form of option grants.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The directors predict that in the 2007/8 financial year MoneySwitch Limited will continue to grow the acquiring business and continue to expand the functionality of electronic transaction acquiring services. MoneySwitch Limited is expected to grow the revenue line of the business to meet the expectations of an emerging operational business.

SHARE OPTIONS

Unissued shares

As at the date of this report, there were 21,168,538 un-issued ordinary shares under options. Option holders do not have any right, by virtue of the option, to participate in any share issue of the company.

Shares issued as a result of the exercise of options

During the financial year, Need Data P/L exercised the option to acquire 216,410 fully paid ordinary shares in MoneySwitch Limited at an exercise price of $0.10. One employee exercised the option to acquire 142,100 fully paid ordinary shares in MoneySwitch Limited at an exercise price of $0.15 and a further 7,379 fully paid ordinary shares at an exercise price of $0.55. A second employee exercised the option to acquire 30,000 fully paid ordinary shares in MoneySwitch Limited at an exercise price of $0.10. A third employee exercised the option to acquire 296,492 fully paid ordinary shares in MoneySwitch Limited at an exercise price of $0.10. A fourth employee exercised the option to acquire 181,819 fully paid ordinary shares in MoneySwitch Limited at an exercise price of $0.55. A fifth employee exercised the option to acquire 181,819 fully paid ordinary shares in MoneySwitch Limited at an exercise price of $0.55.

Since the end of the financial year, no further options have been exercised.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During or since the financial year, the company has not in respect of any person who is, or has been, an officer or auditor of the company or of a related body corporate:

(a) indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings with the exception of the general indemnity provisions contained in the Company's Constitution.

During or since the financial year, the company has paid premiums in relation to a contract insuring all the directors and officers of MoneySwitch Limited against legal costs incurred in defending proceedings for conduct involving:

(a) a wilful breach of duty; or
(b) a contravention of sections 182 or 183 of the Corporations Act 2001, as permitted by section 199B of the Corporations Act 2001.

DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director is as follows:

	Directors' Meetings	Committee Meetings		
		Audit	Risk	Remuneration
Number of meetings held:	11	3	7	1
Number of meetings attended:				
Robert A Ferguson	11	3	7	1
Brad Banducci	6+	-	3+	1
William J Bartlett	8	3	4	1
Denis A Calvert	4*	-	4*	-
Richard Freemantle	7	-	3	-
Thomas J Girgensohn	10	3	6	1
Jost Stollmann	11	3	7	1
Paul A Wood	11#	3#	7#	1#

Directors meetings have been held every month except for the months of November 2006 and January 2007.

Notes:

\+ Brad Banducci missed one Directors meeting since his appointment to the Board on 14 December 2006 and has attended all meetings since his appointment to the Risk Committee.

* Denis A Calvert attended all meetings held prior to his resignation from the Board and Risk Committee on 13 November 2006.

\# Paul A Wood attended all meetings held prior to his resignation from the Board, Audit Committee and Risk Committee on 25 June 2007.

Committee Membership

As at the date of this report, the Company had an Audit Committee, a Risk Committee and a Remuneration Committee of the Board of Directors.

Members acting on the Committees of the Board during the year were:

Audit	Risk	Remuneration
Current	**Current**	**Current**
T Girgensohn (c)	B Bartlett (c)	R Ferguson (c)
W Bartlett	B Banducci	B Banducci
R Ferguson	R Ferguson	T Girgensohn
During the year	**During the year**	
P Wood*	D Calvert*	
	P Wood*	

Notes

(c) Designates the chairperson of the committee.

* P Wood was on the Audit Committee until he resigned on 25 June 2007 and the Risk Committee between 14 December 2006 and until he resigned on 25 June 2007.

***** D Calvert was on the Risk Committee until he resigned on 13 November 2006.

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AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The directors received the following declaration from the Auditor of MoneySwitch Limited.

ERNST & YOUNG

■ Ernst & Young Centre
680 George Street
Sydney NSW 2000
Australia

GPO Box 2646
Sydney NSW 2001

■ Tel 61 2 9248 5555
Fax 61 2 9248 5959
DX Sydney Stock
Exchange 10172

Auditor's Independence Declaration to the Directors of MoneySwitch Limited

In relation to our audit of the financial report of MoneySwitch Limited for the financial year ended 30 June 2007, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Andrew Price
Partner

MONEYSWITCH LIMITED

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NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor, Ernst & Young. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:

Capital Raising Agreed Upon Procedures	$5,000
Review and Lodgement of the Company Income Tax Return	$6,250

Signed in accordance with a resolution of the directors.

Thomas Girgensohn
Director and Audit Committee Chair

Jost Stollmann
Director and Chief Executive Officer

Sydney, 3 September 2007

MONEYSWITCH LIMITED
(TRADING AS TYRO PAYMENTS)
ABN 49 103 575 042

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	NOTE	30-Jun-07 $	30-Jun-06 $
Continuing Operations			
Revenue	2	**502,221**	**631,945**
Cost of services	2	299,979	178,926
Gross profit		**202,242**	**453,019**
Engineering expenses		2,346,107	1,713,431
Operations expenses		1,210,986	469,288
Sales and marketing expenses		449,516	10,187
General and administrative expenses		1,422,758	1,168,884
Occupancy expenses		135,574	84,504
Share-based payments expense		936,674	1,392,823
Total operating expenses	2	6,501,615	4,839,117
Profit/(loss) from continuing operations before income tax expense		**(6,299,373)**	**(4,386,098)**
Income tax expense	3	-	-
Net profit/(loss)		**(6,299,373)**	**(4,386,098)**

The above Income Statement should be read in conjunction with the accompanying notes.

MONEYSWITCH LIMITED
(TRADING AS TYRO PAYMENTS)
ABN 49 103 575 042

BALANCE SHEET

AS AT 30 JUNE 2007

		30-Jun-07	30-Jun-06
		$	$
ASSETS			
Current Assets			
Cash & cash equivalents	4	5,914,213	7,902,533
Trade and other receivables	5	99,691	387,385
Investment securities	6	1,806,048	1,553,677
Inventories	7	4,487	-
Total Current Assets		7,824,439	9,843,595
Non-current Assets			
Property, plant and equipment	8	1,275,091	581,752
Total Non-current Assets		1,275,091	581,752
TOTAL ASSETS		9,099,530	10,425,347
LIABILITIES			
Current Liabilities			
Payables	10	339,842	137,749
Provisions	11	134,666	80,536
Total Current Liabilities		474,508	218,285
TOTAL LIABILITIES		474,508	218,285
NET ASSETS		8,625,023	10,207,062
EQUITY			
Contributed equity	12	18,280,661	14,500,001
Reserves	12	2,673,044	1,725,428
Retained earnings	12	(12,328,682)	(6,018,367)
TOTAL EQUITY		8,625,023	10,207,062

The above Balance Sheet should be read in conjunction with the accompanying notes.

MONEYSWITCH LIMITED
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CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

		30-Jun-07	30-Jun-06
		$	$
Cash flows from operating activities			
Receipt for research and development tax concession		352,227	327,724
Payments to suppliers and employees		(5,302,855)	(3,354,542)
Interest and fee income received		472,973	279,288
Net cash provided by/(used in) operating activities	4	(4,477,655)	(2,747,530)
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(1,025,823)	(600,824)
Proceeds from disposal of property, plant and equipment	8	1,500	-
Proceeds from maturity of treasury bonds	6	1,553,677	-
Gross payments for purchase of treasury bonds	6	(1,820,679)	(1,553,677)
Net cash flows used in investing activities		(1,291,325)	(2,154,501)
Cash flows from financing activities			
Proceeds from issue of shares	12	3,780,660	9,650,001
Net cash flows from/(used in) financing activities		3,780,660	9,650,001
Net increase in cash and cash equivalents		(1,988,320)	4,747,970
Cash and cash equivalents at beginning of period		7,902,533	3,154,563
Cash and cash equivalents at end of period	4	5,914,213	7,902,533

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

MONEYSWITCH LIMITED
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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2007

		Attributable to equity holders of MoneySwitch Limited			
		Issued Capital	**Retained Earnings**	**Other Reserves** *(Note 12)*	**Total Equity**
		$	**$**	**$**	**$**
At 1 July 2005		4,850,000	(1,632,269)	332,605	3,550,336
Profit/(loss) for the period		-	(4,386,098)	-	(4,386,098)
Issue of share capital	12	9,400,001	-	-	9,400,001
Exercise of options	12	250,000	-	-	250,000
Share-based payments	12	-	-	1,392,823	1,392,823
At 30 June 2006		14,500,001	(6,018,367)	1,725,428	10,207,062
Profit/(loss) for the period		-	(6,299,373)	-	(6,299,373)
Issue of share capital	12	3,500,000	-	-	3,500,000
Exercise of options	12	280,660	-	-	280,660
Share-based payments	12	-	-	936,674	936,674
Transfer to general reserve for credit losses	12		(10,942)	10,942	-
At 30 June 2007		18,280,661	(12,328,682)	2,673,044	8,625,023

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2007

1. STATEMENT OF ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this financial report are set out below:

The financial report covers the economic entity of MoneySwitch Limited. MoneySwitch Limited is an unlisted public company, incorporated and domiciled in Australia.

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards.

Unless otherwise indicated, all amounts are expressed in Australian dollars. All amounts contained in the financial report and directors' report have been rounded to the nearest dollar ($1).

The financial report has been prepared on the basis of historical cost and, except where stated, does not take into account changing money values or fair values of non-current assets.

(b) Going concern

The directors consider the going concern assumption to be appropriate. MoneySwitch Limited completed a pilot program of its acquiring services over the later part of 2006 and into the beginning of 2007. The Company became operational in April 2007 with the launch of its acquiring services to the general public under its new trading name, Tyro Payments. The Company is currently focusing on commercialisation of its strong technology infrastructure and reaching the critical mass required to maintain its long-term viability. The Company has a history of raising sufficient capital to meet the Company's expenditure and prudential capital needs. MoneySwitch Limited is able to control its expenses. Should current cash levels not be sufficient to meet the Company's prudential capital requirements, the Company will seek to raise additional funding through capital raising in the 2007/2008 financial year internally from existing shareholders and/or externally from additional strategic investors as required.

(c) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (“AIFRS”). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (“IFRS”).

Australian Accounting Standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 30 June 2007. These are outlined in the following table:

MONEYSWITCH LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2007

STATEMENT OF ACCOUNTING POLICIES (cont'd)

Title	Affected standard(s)	Nature of change to accounting policy	Application Date
AASB 2005-10	Amendments to Australian Accounting Standards: AASB 132, AASB 101 AASB 114, AASB 117 AASB 133, AASB 139 AASB 1, AASB 4 AASB 1023, AASB 1038	The amendments will result in minimal impact on the financial instruments disclosures in the financial report.	1 January 2007
AASB 7	AASB 7	No changes to accounting policy required. However, amendment may result in additional disclosures on the Company's financial report.	1 January 2007
UIG 7	Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies	As the Company has no investments in foreign operations operating in hyperinflationary economies, these amendments would not have any impact on the Company's financial report.	1 January 2007
UIG 8	Scope of AASB 2 Share based Payment	Unless the Company enters into share-based payment arrangements unrelated to employee services in future reporting periods, these amendments are not expected to have any impact on the Company's financial report.	1 January 2007
UIG 9	Reassessment of Embedded Derivatives	Unless the Company enters into arrangements containing embedded derivatives in future reporting periods, these amendments are not expected to have any impact on the Company's financial report.	1 January 2007

*Application date is for the annual reporting periods beginning on or after the date shown in the above table.

STATEMENT OF ACCOUNTING POLICIES (cont'd)

(d) Significant accounting judgments, estimates and assumptions

In applying the Company's accounting policies management continually evaluates judgments, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Company. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgments, estimates and assumptions. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined as follows:

Share-based payments transactions - The Company recognise the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date on which they are granted. The fair value is determined using the Black Scholes model, with the assumptions detailed in note 9.

(e) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) Fees income

The Company derives fees income from the following sources:

- Merchant service fee income is generated from merchant customers for credit and debit card acquiring services. Fees are charged to merchants depending on the type of transaction being performed based on a percentage of transaction value or a fixed amount per transaction. Fees related to payment transactions are recognised at the time transactions are processed. Interchange fee is recognised as an expense instead of netting-off against merchant service fee income in profit or loss.

- Revenue from gift-card transaction fees generated from merchants is based on a fixed fee per transaction and is recognised when transactions are processed, pursuant to the respective merchant service agreement.

(ii) Interest income

Interest income is recognised in the income statement on an accruals basis, using the effective interest method. This method measures the amortised cost of a financial asset and allocates the interest income over the relevant period using the effective interest which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

STATEMENT OF ACCOUNTING POLICIES (cont'd)

(f) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

(i) Company as a lessee

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Lease incentives are recognised in the income statement as an integral part of the total lease expense.

(ii) Company as a lessor

Leases in which the Company retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and settlement account balances.

Settlement account balances result from timing differences in the Company's settlement process with merchants. These timing differences are primarily due to the timing between the funds received from the card issuers and settlement payments made to the merchants.

Settlement funds due from/due to other financial institutions are generally convertible into cash within two (2) business days. Merchant payables are settled on the next business day following the transaction processing date.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

STATEMENT OF ACCOUNTING POLICIES (cont'd)

(h) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Company will not be able to collect the debt

(i) Investment securities

Investment securities are securities purchased with the intent of being held to maturity.
The Company currently does not have any investments held for trading. All non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity where management has the positive intention and ability to hold to maturity.

All investments are initially recognised at cost, being the fair value of the consideration given including acquisition charges associated with the investment. Investments that are intended to be held to maturity are subsequently measured at amortised cost, less provision for impairment in value. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired as well as through the amortisation process.

Purchases and sale of investments are recognised on settlement date - the date on which the Company receives or delivers the asset.

(j) Inventories

Inventories are supplies valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(k) Income Taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

STATEMENT OF ACCOUNTING POLICIES (cont'd)

(k) Income Taxes (cont'd)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to recognise the deferred tax asset or liability. An exemption is made for temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or lessor taxable profit or loss.

Deferred tax assets relating to tax losses, unused tax credits and deductible temporary differences are not carried forward as an asset unless it is probable that the future taxable amounts will be available to utilise those temporary differences, losses and tax credits.

(l) Other Taxes

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

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.

Cash flows are included in the Statement of Cash Flows 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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(m) Acquisition of assets

All assets acquired including property, plant and equipment are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Expenditure is only recognised as an asset only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the item can be measured reliably. All other expenditure is expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2007

STATEMENT OF ACCOUNTING POLICIES (cont'd)

(n) Recoverable amount of non-current assets valued on cost basis

The carrying amount of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount. The write-down is expensed in the reporting period in which it occurs.

Recoverable amount is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where a group of assets working together supports the generation of cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

(o) Property, plant and equipment

(i) Cost and Valuation

Freehold land and buildings on freehold land are measured on a fair value basis. At each reporting date, the value of each asset in these classes is reviewed to ensure that it does not differ materially from the asset's fair value at that date. Where necessary, the asset is revalued to reflect its fair value.

All other classes of property, plant and equipment are measured at cost less accumulated depreciation and any impairment in value. The Company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing parts when the cost is incurred and the recognition criteria are met. When each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant or equipment, as a replacement, provided that the recognition criteria are satisfied.

Where assets have been revalued, the potential effect of the capital gains tax on disposal has not been taken into account in the determination of the revalued carrying amount. Where it is expected that a liability for capital gains tax will arise, this expected amount is disclosed by way of note.

(ii) Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, other than freehold land.

Major depreciation periods are:	**2007**	**2006**
Plant and equipment:		
- EFTPOS machines	3 years	n/a
- Furniture and office equipment	5 years	5 years
- Computer equipment	4 years	4 years

STATEMENT OF ACCOUNTING POLICIES (cont'd)

(o) Property, plant and equipment (cont'd)

The assets' residual values, remaining useful lives and depreciation methods are reassessed and adjusted, if appropriate, at each balance sheet date.

(iii) Impairment
The impairment testing for property, plant and equipment is conducted in accordance with the Accounting Policy in Note 2(n).

(iv) Derecognition and disposal
An items of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected to arise from continued use of the asset. Gains and losses on disposals are calculated as the difference between the net disposal proceeds and asset's carrying amount and are included in the income statement in the year the item is derecognised.

(p) Research and development costs
Research and development costs are expensed as incurred, except where future benefits are expected beyond any reasonable doubt, to exceed those costs. Where research and development costs are deferred such costs are amortised over future periods on a basis related to expected future benefits. Unamortised costs are reviewed at each reporting date to determine the amount (if any) that is no longer recoverable and any amount identified is written off.

(q) Trade and other payables
Liabilities for trade creditors and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the entity.

STATEMENT OF ACCOUNTING POLICIES (cont'd)

(r) Provisions and contingencies

Provisions are recognised when the Company has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

If the impact of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of times is recognised as a finance cost.

Contingent liabilities and contingent assets are not recognised in the balance sheet, but are disclosed in the relevant notes to the financial statements. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Where settlement becomes probable, a liability or asset is recognised.

(s) Provision for losses on merchant accounts

The Company is contingently liable for processed credit card sales transactions in the event of a dispute between the cardholder and a merchant. If a dispute is resolved in the cardholder’s favour, the Company will credit or refund the amount to the cardholder and charge back the transaction to the merchant. If the Company is unable to collect the amount from the merchant, the Company will bear the loss for the amount credited or refunded to the cardholder.

Management evaluates the risk of such transactions and estimates its potential loss for chargebacks based primarily on historical experience and other relevant factors. If there is objective evidence that an impairment loss on merchant accounts has been incurred, a provision is maintained for merchant losses necessary to absorb chargebacks and other losses for merchant transactions that have been previously processed and on which revenues have been recorded.

The methodology and assumptions used for estimating chargeback provisions are reviewed regularly to reduce any differences between uncollectible chargebacks that have not been specifically identified. The provision for losses on merchant accounts is decreased by merchant losses (arising from chargebacks) and is increased by provisions for merchant losses, net of any recoveries.
The provision for losses on merchant accounts is included within current liabilities.

No impairment loss on merchant accounts has been identified for the year ended 30 June 2007.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2007

STATEMENT OF ACCOUNTING POLICIES (cont'd)

(t) Employee benefits
Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within the twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

Employee benefit expenses and revenues arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave and other leave benefits; and
- other types or employee benefits

are recognised against profits on a net basis in their respective categories.

(u) Share-based payment transactions
Share-based compensation benefits are provided to employees (including directors) via the MoneySwitch Stock Option Plans.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined internally using the Black-Scholes Option Valuation Model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at the reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2007

STATEMENT OF ACCOUNTING POLICIES (cont'd)

(v) Share-based payment transactions (cont'd)

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

There were no modifications to the terms of the outstanding options during the financial year.

(w) Contributed equity
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(x) Foreign currency translation
Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

(y) Derecognition of assets and liabilities
Assets and liabilities are derecognised in the balance sheet upon sale, maturity or settlement. Gains and losses are recognised in profit or loss when the assets/liabilities are derecognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2007

2. REVENUE AND EXPENSES

Profit or loss has been arrived at after charging (crediting) the following items:

	30-Jun-07 $	30-Jun-06 $
Gross revenue		
Merchant service fee	33,669	-
Debit card interchange fee	1,201	-
Other fee income	12,615	-
Interest income	454,736	279,718
R&D tax rebate	-	352,227
	502,221	631,945
Cost of services		
Interchange fees	23,139	-
Switching and settlement fees	1,979	-
Gift card processing expenses	29,872	-
Scheme fees	243,117	178,926
Other expenses	1,872	-
	299,979	178,926
Engineering expenses		
Employee benefits expense	2,172,415	1,521,311
Recruitment	108,945	104,299
Training	23,948	10,974
Depreciation	36,081	-
Other	4,718	76,847
	2,346,107	1,713,431
Operations expenses		
Communication and hosting	319,803	255,454
Employee benefits expense	499,707	105,320
Depreciation	267,821	61,320
Software and hardware maintenance	91,123	46,804
Other	32,532	390
	1,210,986	469,288

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2007

	30-Jun-07 $	30-Jun-06 $
2. REVENUE AND EXPENSES (cont'd)		
Sales and marketing expenses		
Marketing & branding	236,766	10,187
Employee benefits expense	188,552	-
Other expenses	24,198	-
	449,516	10,187
General and administrative expenses		
Interconnect & membership	350,083	509,708
Professional fees	228,739	153,421
Employee benefits expense	395,867	262,639
Recruitment	44,339	1,445
Provision for employee leave entitlement	54,130	57,137
Legal	103,785	52,375
Travel	49,643	32,583
Insurance	27,008	23,209
Bad debt write-offs	71	-
Depreciation	27,082	14,791
Other	142,011	61,576
	1,422,758	1,168,884
Share-based payments expense		
Equity-settled share options (Note 9)	936,674	1,392,823
	936,674	1,392,823

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2007

	30-Jun-07 $	30-Jun-06 $
3. INCOME TAX		
Operating profit/(loss) for the year	(6,299,373)	(4,386,098)
Prima facie income tax expense/(benefit) on profit from continuing operations	(1,889,812)	(1,315,829)
Benefit of tax losses not brought to account	1,889,812	1,315,829
Tax effect of timing differences and current year tax losses not brought to account: since not probable of recovery		
This future income tax benefit will only be obtained if: (a) future taxable income is derived of a nature and amount sufficient to enable the benefit to be realised; (b) the conditions for deductibility imposed by taxation legislation continue to be complied with; (c) no changes in taxation legislation adversely affect the entity in realising the benefit.		
Income tax expense/(benefit) attributable to operating profit/(loss)	-	-
The estimated potential future income tax benefit at period end calculated at 30% in respect of tax losses not brought to account is:	2,728,539	838,727
4. CASH & CASH EQUIVALENTS		
Call deposits	5,568,051	7,876,480
Exchange settlement balance	422,456	26,783
Due from other financial institutions	253,053	5,692
Due to other financial institutions	(115,392)	(730)
Due to merchants	(213,955)	-
Items in suspense	-	(5,692)
	5,914,213	7,902,533

Call deposits earn interest at floating rates based on daily bank deposit rates. The Reserve Bank (RBA) pays interest on balances held in Exchange settlement accounts at a rate 25 basis points below the cash rate.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2007

	30-Jun-07 $	30-Jun-06 $

4. CASH & CASH EQUIVALENTS (cont'd)

Reconciliation of net profit after tax to net cash flows from operations

	30-Jun-07	30-Jun-06
Operating profit for the year	(6,299,373)	(4,386,098)
Adjustments for:		
Depreciation and amortisation	330,984	105,081
Provision for employee leave entitlements	54,130	57,137
Share-based payments expense	936,674	1,392,823
Changes in assets and liabilities		
Decrease/(increase) in trade and other receivables	302,325	(31,837)
Decrease/(increase) in stocks	(4,487)	-
Increase/(decrease) in other payables	202,093	115,364
Net cash from operating activities	(4,477,655)	(2,747,530)

Disclosure of financing facilities - refer to note 12

Disclosure of non-cash financing and investing activities - refer to note 6 & 8

5. TRADE AND OTHER RECEIVABLES

	30-Jun-07	30-Jun-06
Sundry debtors - Research & development tax rebate	-	352,227
Rental bond	-	23,010
Trade debtors	1,196	-
Interest receivable	54,831	12,148
GST recoverable	43,664	-
	99,691	387,385

6. INVESTMENT SECURITIES

	30-Jun-07	30-Jun-06
Held-to-maturity		
Commonwealth government securities	1,806,048	1,553,677
	1,806,048	1,553,677

7. INVENTORIES

	30-Jun-07	30-Jun-06
EFTPOS paper rolls	4,487	-
	4,487	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2007

8. PROPERTY, PLANT AND EQUIPMENT

	Eftpos Machines ($)	*Furniture and Office Equipment ($)*	*Computer Equipment ($)*	*Total ($)*
Year ended 30 June 2007				
At 1 July 2006, net of accumulated depreciation and impairment	-	50,694	531,058	581,752
Additions	595,125	65,242	365,456	1,025,823
Disposals	-	(1,500)	-	(1,500)
Depreciation charge for the year	(99,188)	(23,863)	(207,934)	(330,985)
At 30 June 2007, net of accumulated depreciation and impairment	495,938	90,573	688,580	1,275,091
At 1 July 2006,				
Cost or fair value	-	83,169	649,008	732,177
Accumulated depreciation and impairment	-	(32,475)	(117,950)	(150,425)
Net carrying amount	-	50,694	531,058	581,752
At 30 June 2007,				
Cost or fair value	595,125	146,912	1,014,463	1,756,500
Accumulated depreciation and impairment	(99,187)	(56,338)	(325,884)	(481,409)
Net carrying amount	495,938	90,574	688,579	1,275,091

	Eftpos Machines ($)	*Furniture and Office Equipment ($)*	*Computer Equipment ($)*	*Total ($)*
Year ended 30 June 2006				
At 1 July 2005, net of accumulated depreciation and impairment	-	25,794	60,215	86,009
Additions	-	38,073	562,751	600,824
Depreciation charge for the year	-	(13,173)	(91,908)	(105,081)
At 30 June 2006, net of accumulated depreciation and impairment	-	50,694	531,058	581,752
At 1 July 2005,				
Cost or fair value	-	45,096	86,256	131,352
Accumulated depreciation and impairment	-	(19,301)	(26,042)	(45,343)
Net carrying amount	-	25,795	60,214	86,009
At 30 June 2006,				
Cost or fair value	-	83,170	649,007	732,177
Accumulated depreciation and impairment	-	(32,475)	(117,950)	(150,425)
Net carrying amount	-	50,695	531,057	581,752

9.SHARE-BASED PAYMENTS

(a) MoneySwitch Stock Option Plan

The MoneySwitch Stock Option Plan was established to grant options over ordinary shares in the Company to employees or directors of the company or to external consultants who provide services to the Company. The rules of the MoneySwitch Stock Plan provides that the Board has the authority, in its discretion, and subject to such terms and conditions as it deems appropriate, to grant options to employees and consultants (Including directors).

Options granted pursuant to the Stock Options Plan may be exercised, in whole or part, subject to vesting terms and conditions indicated below:

Type	Terms and Conditions
Linear vesting schedule	Options granted will vest in proportion to the time that passes linearly during the vesting schedule, subject to maintaining continuous status as an employee or consultant with the Company during the vesting schedule;
Service vesting schedule	The options with service vesting schedule may be exercised as to a set number of shares per agreed day of consulting service, as defined in the specific option grant.
Fully vested at time of grant	Options may be exercised as to all shares from the vesting commencement date.

Other relevant terms and conditions applicable to options granted under the MoneySwitch Stock Option Plan include:

- All stock options granted under those plans had an exercise price equal to the fair value of the underlying ordinary shares on the date of the grant.
- the term of each option grant shall be 10 years from the date of grant or such shorter term as provided in the Stock Option Grant agreement. However, in the case of options granted to an Optionee who, at the time the options is granted, owns stock representing more than 10% of the voting power of all classes of stock of the Company, the term of the Option Grant shall be 5 years from the grant date or such shorter term as may be provided in the Stock Option Grant agreement.
- each option entitles the holder to one ordinary share.
- All awards granted under the MoneySwitch Stock Option Plans are equity-settled.

9.SHARE BASED PAYMENTS (cont'd)

(b) Fair value of options

The weighted average fair value of the share options granted during the financial year is 28c (2005/06: 24c).
The fair value of each option grant was estimated on the date of the grant using the Black-Scholes Option Valuation Model. The following table lists the assumptions used in determining the fair value of the options granted in the years ended 30 June 2007 and 30 June 2006:

	2007	**2006**
Dividend yield (%)	0%	0%
Expected volatility (%)	74%	74%
Risk-free interest rate (%)	5.86%	5.34%

A zero dividend policy assumption is used for valuing all option grants. This is in line with the Company's development status and growth strategy.

Expected volatility used is the historical volatility of the peer group. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

The average expected life for 10 year options is assumed to be 8 years from the grant date.
For all other options with a contractual life of 5 years or less, the expected life is assumed to be total years from grant date to expiration date.

The average share price at the date of exercise for the options exercised in 2006/07 is 55c (2005/06: 45c).
The weighted average remaining contractual life for the share options outstanding as at 30 June 2007 was 3.47 years (2006: 4.4 years).

The following table summarises further details of the stock options outstanding at 30 June 2007:

Range of Exercise Prices	**Contractual life**	**Vesting conditions**	**No: of Outstanding Options**
10c to 55c	10 years	5 year linear vesting	4,594,378
10c to 45c	5 years	12 months service	4,837,778
10c to 55c	5 years	12 months linear vesting	2,336,893
10c to 55c	10 years or less	Fully vested at time of grant	9,399,489
Total			**21,168,538**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2007

9.SHARE BASED PAYMENTS (cont'd)

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of and movements in share option issued during the year:

	30-Jun-07	30-Jun-07	30-Jun-06	30-Jun-06
	No	*WAEP*	*No*	*WAEP*
Linear vesting schedule				
Outstanding at the beginning of the year	5,302,988	26c	3,673,977	16c
Granted during the year	2,698,177	55c	1,717,449	47c
Exercised during the year	(230,128)	13c	-	-
Forfeited/expired during the year	(839,766)	49c	(88,438)	45c
Outstanding at the end of the year	**6,931,271**	**35c**	**5,302,988**	**26c**
Exercisable at the end of the year	**4,664,578**	**35c**	**2,362,697**	**25c**
Fully vested at time of grant				
Outstanding at the beginning of the year	6,000,299	26c	3,222,521	10c
Granted during the year	4,317,379	55c	3,333,333	45c
Exercised during the year	(825,891)	30c	(555,555)	45c
Forfeited/expired during the year	(92,298)	11c	-	-
Outstanding at the end of the year	**9,399,489**	**39c**	**6,000,299**	**26c**
Exercisable at the end of the year	**6,126,762**	**39c**	**6,000,299**	**26c**
Service vesting schedule				
Outstanding at the beginning of the year	4,837,778	13c	4,837,778	13c
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited/expired during the year	-	-	-	-
Outstanding at the end of the year	**4,837,778**	**13c**	**4,837,778**	**13c**
Exercisable at the end of the year	**4,837,778**	**13c**	**4,837,778**	**13c**
Total outstanding at the end of the year	**21,168,538**	**32c**	**16,141,065**	**22c**
Total exercisable at the end of the year	**15,629,118**	**32c**	**13,200,774**	**21c**

The expense recognised in the income statement in relation to share-based payments is disclosed in note 2.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2007

9.SHARE BASED PAYMENTS (cont'd)

Share options granted under the MoneySwitch Stock Option Plan and outstanding at the end of the year have the following exercise prices:

Expiry Date	Exercise Price	2007 No:	2006 No:
31-Mar-05	$0.15	-	-
30-Jun-05	$0.15	-	-
31-Dec-05	$0.45	-	-
30-Jun-06	$0.15	-	-
31-Dec-06	$0.10	-	120,000
31-Mar-07	$0.10	-	216,410
31-May-07	$0.55	-	-
31-Dec-07	$0.45	2,777,778	2,777,778
31-Dec-07	$0.55	1,454,546	-
19-Apr-08	$0.10	85,534	85,534
15-Jun-08	$0.45	4,444	4,444
31-Dec-08	$0.55	1,818,182	-
01-Apr-09	$0.10	4,768,750	4,975,000
02-Jul-09	$0.55	-	-
13-Oct-09	$0.45	91,111	-
25-Oct-09	$0.55	897	-
21-Nov-09	$0.15	886,667	886,667
15-Dec-09	$0.15	1,280,000	1,280,000
31-Dec-09	$0.45	44,139	-
31-Dec-09	$0.55	10,924	-
31-Jan-10	$0.45	35,434	-
31-Jan-10	$0.55	10,189	-
06-Feb-10	$0.15	15,160	-
06-Feb-10	$0.55	-	-
23-Feb-10	$0.55	12,781	-
23-Mar-10	$0.55	4,003	-
26-Mar-10	$0.55	7,370	-
29-Mar-10	$0.55	2,687	-
01-Jun-10	$0.45	30,137	-
01-Jun-10	$0.55	8,102	-
02-Jun-10	$0.45	11,562	-
15-Jun-10	$0.45	111,111	111,111
17-Aug-10	$0.45	77,778	77,778
08-Feb-11	$0.45	512,821	512,821
08-Mar-11	$0.45	66,667	66,667
30-Jun-11	$0.55	218,182	-
20-Sep-11	$0.55	916,364	-
01-Apr-14	$0.10	2,086,972	2,175,000
13-Apr-14	$0.10	400,000	400,000
28-Jul-14	$0.15	122,333	122,333
15-Sep-14	$0.15	183,333	183,333
17-Nov-14	$0.15		333,333
06-Feb-15	$0.15	250,000	250,000
17-May-15	$0.30	66,667	66,667
15-Jun-15	$0.45	300,000	524,444
17-Aug-15	$0.45	105,556	105,556
21-Oct-15	$0.45		133,333
16-Nov-15	$0.45		11,562
08-Feb-16	$0.45	100,000	211,111
08-Mar-16	$0.45	208,120	208,120
05-Apr-16	$0.55	13,427	13,427
10-May-16	$0.55	161,363	288,636
28-Jun-16	$0.55	420,742	-
17-Jul-16	$0.55	83,980	-
20-Sep-16	$0.55	647,272	-
18-Oct-16	$0.55	81,818	-
15-Feb-17	$0.55	252,727	-
12-Apr-17	$0.55	420,908	-
		21,168,538	**16,141,065**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2007

10. PAYABLES (CURRENT)

	30-Jun-07 $	30-Jun-06 $
Bills payable	144,733	74,102
Other liabilities	195,109	63,647
	339,842	137,749

11. PROVISIONS

	30-Jun-07 $	30-Jun-06 $
Accrued annual leave		
Balance at the beginning of the year	80,536	23,399
Additional provision recognised during the year	54,130	57,137
Balance at the end of the year	134,666	80,536
Current	134,666	80,536
Non-current	-	-
	134,666	80,536

12. CONTRIBUTED EQUITY & RESERVES

	30-Jun-07 $	30-Jun-06 $
(i) Ordinary Shares		
Issued and fully paid		
- 3,540,688 (2005/06:3,000,000) Ordinary shares paid at 10c each	354,069	300,000
- 10,475,433 (2005/06:10,333,333) Ordinary shares paid at 15c each	1,571,315	1,550,000
- 21,666,667 (2005/06:10,000,000) Ordinary shares paid at 30c each	6,500,000	3,000,000
- 8,111,112 Ordinary shares paid at 45c each	3,650,001	3,650,001
- 11,282,322 (2005/06:10,909,091) Ordinary shares paid at 55c each	6,205,276	6,000,000
	18,280,661	14,500,001

Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of 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. Ordinary shares have no par value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2007

	No: Shares	$
Movement in ordinary shares on issue		
At 1 July 2005	23,333,333	4,850,000
Shares issued during the year:		
- 28 November, 2005, equity raising at 45c each	7,555,556	3,400,001
- 19 December, 2005, equity raising at 45c each	555,555	250,000
- 31 March, 2006, equity raising at 55c each	10,563,636	5,810,000
- 06 April, 2006, equity raising at 55c each	345,455	190,000
At 1 July 2006	42,353,535	14,500,001
Shares issued during the year:		
- 25 Sep, 2006 for cash on exercise of share options at 10c each	216,410	21,641
- 15 Nov, 2006 for cash on exercise of share options at 15c each	142,100	21,315
- 15 Nov, 2006 for cash on exercise of share options at 55c each	7,379	4,058
- 13 Dec, 2006 for cash on exercise of share options at 10c each	30,000	3,000
- 24 Apr, 2007 for cash on exercise of share options at 10c each	294,278	29,428
- 25 Sep, 2006 for cash on exercise of share options at 55c each	2,214	1,218
- 18 May, 2007 for cash on exercise of share options at 55c each	363,638	200,000
- 26 June, 2007, equity raising at 30c each	11,666,667	3,500,000
At 30 June 2007	55,076,221	18,280,661

	30-Jun-07 $	30-Jun-06 $
(ii) Share-based payments reserve		
Balance at the beginning of the year	1,725,428	332,605
Share-based payments during the year	936,674	1,392,823
Balance at the end of the year	2,662,102	1,725,428

Nature and purpose of reserve

The share-based payments reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration. Refer to note 9 for further details of these plans.

(iii) General reserve for credit losses		
Balance at the beginning of the year	-	-
Transfer from retained earnings	10,942	-
Balance at the end of the year	10,942	-

Nature and purpose of reserve

The general reserve for credit losses has been created to satisfy APRA's prudential standards for ADIs to maintain a general reserve for credit losses. The Company applies an internal methodology to estimate the the credit risk of its merchant customers and the maximum expected losses based upon a number of assumptions concerning the performance of merchants in relation to the Company's credit risk grading system.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2007

	30-Jun-07	30-Jun-06
	$	$
(iv) Retained earnings		
Movements in retained earnings were as follows:		
Retained profits at the beginning of the financial year	(6,018,367)	(1,632,269)
Net Profit attributable to the shareholders of the entity	(6,299,373)	(4,386,098)
Transfer to general reserve for credit losses	(10,942)	-
Retained profits at the end of the financial year	(12,328,682)	(6,018,367)

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management

The Board is responsible for approving and reviewing the risk management strategy and framework and all risk management policies. The Board also ensures senior management has identified all risks and that those risks are managed and controlled appropriately. Senior management is responsible for implementing the Board approved risk management strategy and developing policies, controls, processes and procedures to identify and manage risks in all of the company's activities.

Risk controlling

Risk is controlled through a system that identifies key risks, establishes controls to manage those risks . (with an emphasis on preventative control rather than detective control), and maintains a regular review process to monitor the effectiveness of the controls. Business risks are controlled within tolerance levels set by the Chief Executive Officer and approved by the Board. A set of control and compliance principles provide prudent standards of control.

Internal audit

The Company has an effective program of internal control to ensure that at all times the risks to which the company are exposed to in the normal course of its business are minimised. This program of internal control and audit is reviewed and approved on a regular basis by the Audit Committee.

Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Company's credit risk management principles define the framework and core values which govern its credit risk taking activities and reflect the priorities established by the Board.
From these principles flow the development of the target market strategies, underwriting standards, and credit procedures which define the operating processes. Portfolio-level counterparty limits are established by the use of a credit risk grading system, which segments the Company's client portfolio into performing and nonperforming sales. Credit risk grades are monitored on a regular basis. The operation of a credit risk grading system coupled with ongoing monitoring, reporting and review controls allows the Company to identify changes in credit quality at client and portfolio levels, and take necessary corrective actions in a timely manner.

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Interest rate risk

The entity's financial assets and liabilities are subject to interest rate risk. These will fluctuate in accordance with movements in the market interest rates. The exposure to interest rate risk and the weighted average effective interest rates on the interest-bearing financial assets and liabilities of the Company are summarised in the table below. All other assets and liabilities disclosed on the statement of financial position are non-interest bearing.

Liquidity risk

Liquidity risk is the risk that the Company will have insufficient liquidity to meet its obligations as they fall due. This risk is managed by maintaining adequate cash resources for future expenditure and other financial commitments. The Company's liquidity risk management policy aims to ensure that enough high quality liquid assets are always available for the Company's cash flow and liquidity requirements. At balance sheet date, the board of directors determined that there was sufficient cash resources available to meet its anticipated expenditure and other financial liabilities.

Foreign Currency risk

All foreign-currency denominated receivables and payables are translated at the exchange rate as at the balance sheet date. Amounts receivable and payable in foreign currency that are not effectively hedged (or denominated in Australian dollars) and will be affected by future currency movements:

		30-Jun-07	**30-Jun-06**
Bills payable			
- Visa International	U.S. Dollar	$6,131	$24,180
- Banksys	Euro	-	€ 15,250

The Company's functional and presentation currency is the Australian dollar.

The interest rate applicable to each class of financial asset subject to interest rate risk are as follows:

30 June 2007	**< 1 year** **$**	**Total** **$**	**Weighted average interest rate (%)**
FINANCIAL ASSETS			
Floating rate			
Cash & cash equivalents	5,914,213	5,914,213	6.00%
Fixed rate			
Investment securities	1,806,048	1,806,048	6.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2007

30 June 2006	< 1 year $	Total $	Weighted average interest rate (%)
FINANCIAL ASSETS			
Floating rate			
Cash & cash equivalents	7,902,533	7,902,533	5.06%
Fixed rate			
Investment securities	1,553,677	1,553,677	4.92%

Interest on financial assets classified as floating rate is repriced at intervals of less than one year. Interest on financial assets classified as fixed rate is fixed until maturity of the asset. The other financial assets and liabilities not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

Net fair values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised at the reporting date, are as follows:

	Carrying value		*Fair value*	
	30-Jun-07 $	**30-Jun-06 $**	**30-Jun-07 $**	**30-Jun-06 $**
Net fair values of financial assets are:				
Financial Assets				
Cash & cash equivalents	5,914,213	7,902,533	5,914,213	7,902,533
Trade and other receivables	99,691	387,385	99,691	387,385
Investment securities	1,806,048	1,553,677	1,798,396	1,544,664
	7,819,952	9,843,595	7,812,300	9,834,582
Financial Liabilities				
Payables	339,842	137,749	339,842	137,749
Provisions	134,666	80,536	134,666	80,536
	474,508	218,285	474,508	218,285
Off balance sheet				
Contingencies	1,785,025	1,540,000	1,785,025	1,540,000
	1,785,025	1,540,000	1,785,025	1,540,000

The net fair value of financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

Contingencies

The Company has potential financial liabilities that may arise from certain contingencies disclosed in note 14. No material losses are anticipated in respect of any of those contingencies and the fair value disclosed above is the directors' estimate of amounts that would be payable by the Company in the event of a default.

	30-Jun-07	30-Jun-06
	$	$

14. COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments - Company as lessee

Future minimum rentals payable under the non-cancellable operating leases as at 30 June 2007 are as follows:

	30-Jun-07	30-Jun-06
- Within one year	196,020	-
- After one year but not more than four years	835,500	-
	1,031,520	-

The operating lease commitments relates to the lease of the Company's registered office located at 125 York Street, Sydney. It is a non-cancellable lease with a term of 4 years ending 28 February 2011. The lease agreement provides the Company with a right of renewal at which time all terms are renegotiated. Lease payments are subject to annual increases of 4% p.a.

(b) Contingent liabilities -secured

	30-Jun-07	30-Jun-06
(i) Irrecoverable standby letters of credit in favour of:		
- MasterCard International	1,400,000	1,400,000
- Visa International	140,000	140,000
(ii) Bank Guarantee in favour of:		
- Dukeville Pty Ltd, the lessor of 125 York Street, Sydney	245,025	-
	1,785,025	1,540,000

(c) Assets pledged as security

The carrying amount of assets used to collateralise the Company's exposure to contingent liabilities is as follows:

	30-Jun-07	30-Jun-06
- Investment securities	1,806,048	1,553,677
	1,806,048	1,553,677

The Company has provided irrevocable standby letters of credit of $1,540,000 to MasterCard International and Visa International. These are one-year arrangements that are subject to automatic renewal on a yearly basis. MasterCard International and Visa International, at their discretion, may increase the required amounts of the standby letters of the credit upon written request to the Company. The required amounts of the standby letters of credit are dependent on MasterCard International's and Visa International's view of their risk exposure to the Company.
The standby letters of credit are issued by the Commonwealth Bank of Australia to MasterCard International and Visa International on behalf of the Company and are fully secured by a fixed charge over certain assets of the Company as detailed in note 14(c) above.

A bank guarantee is held with the Commonwealth Bank of Australia in relation to the lease arrangement for the office premises. The amount represents 9 months' rent, and is refundable on expiration of the lease agreement, subject to satisfactory vacation of the leased premises.

15. CAPITAL COMMITMENTS

The Company does not have any capital commitments as at the date of this report.

16. CONTROLLED ENTITIES

There are no controlled entities as at 30 June, 2007 nor were any acquired or sold during the period.

17. SUBSEQUENT EVENTS

After the balance date the Remuneration Committee resolved in their meeting on 14 August 2007 to award a discretionary bonus to the Officer Group in the form of option grants.

There has not arisen in the interval between end of financial year and the date of this report any item, transaction or event of a material or unusual nature, in the opinion of the directors of the Company, to affect significantly the operation of the Company, the results of these operations or the state of affairs of the Company, in future financial years.

18. FINANCIAL REPORTING BY SEGMENTS

The Company operates predominantly in one geographical segment being Australia and within one business segment being the provision of credit and debit card acquiring services to merchants.

19. AUDITOR'S REMUNERATION

	30-Jun-07	**30-Jun-06**
	$	**$**
Amounts received or due and receivable by Ernst & Young:		
- an audit of the financial report of the entity	68,378	35,633
- other services in relation to the entity	15,225	86,927
	83,603	122,560

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20. RELATED PARTY DISCLOSURES

The total cash remuneration paid to the Directors and Executives of the Company amounted to $695,349 (FY 2005/06: $132,233). The table below shows the details of compensation paid to key management personnel including all monetary and non-monetary components.

Details of Key Management Personnel

Directors	**Appointed**	**Resigned**
Richard Freemantle	20/06/2003	26/06/2007
Jost Stollmann	5/04/2005	
Paul A Wood	3/02/2003	26/06/2007
William J Bartlett	14/04/2004	
Denis A Calvert	14/04/2004	13/11/2006
Robert Ferguson	14/11/2005	
Thomas Girgensohn	9/03/2006	
Bradford L Banducci	14/12/2007	
Executives		
Peter J Haig	3/02/2003	
Bradford L Banducci	8/08/2005	20/10/2006
John Hallis	14/02/2006	
Mark Wood	1/04/2004	31/08/2007
Garry Duursma	1/01/2007	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2007

20. RELATED PARTY DISCLOSURES (cont'd)

Compensation of Key Management Personnel

For the year-ended 30 June 2007	Short-term Benefits Salary & fees ($)	Post Employment Super-annuation ($)	Share-based Payments Options ($)	Total ($)
Directors				
Richard Freemantle	-	-	15,586	15,586
Jost Stollmann	15,101	1,359	155,867	172,327
Paul A Wood	-	240,000	155,867	395,867
William J Bartlett	-	-	18,434	18,434
Denis A Calvert	-	-	18,434	18,434
Rob Ferguson	-	-	18,434	18,434
Thomas Girgensohn	-	-	18,434	18,434
Bradford L Banducci	-	-	61,447	61,447
Executives				
Peter J Haig	24,819	104,912	92,170	221,901
John Hallis	172,707	15,544	113,996	302,247
Mark Wood	110,924	9,983	6,330	127,237
Garry Duursma	88,415	42,385	63,203	194,003
	323,551	371,798	674,999	1,370,348

For the year-ended 30 June 2006	Short-term Benefits Salary & fees ($)	Post Employment Super-annuation ($)	Share-based Payments Options ($)	Total ($)
Directors				
Richard Freemantle	-	-	7,727	7,727
Jost Stollmann	-	-	77,603	77,603
Paul A Wood	-	-	77,603	77,603
William J Bartlett	-	-	7,727	7,727
Denis A Calvert	-	-	7,727	7,727
Rob Ferguson	-	-	9,511	9,511
Thomas Girgensohn	-	-	5,656	5,656
Executives				
Peter J Haig	33,315	98,918	46,128	178,361
Bradford L Banducci	-	-	735,549	735,549
John Hallis	-	-	73,727	73,727
	33,315	98,918	1,048,958	1,181,191

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2007

20. RELATED PARTY DISCLOSURES (cont'd)

Shareholdings of Key Management Personnel & Related Parties

30 June 2007	Outstanding at start of period 1-Jul-06	Shares Issued during the year	On exercise of options	Outstanding at end of period 30-Jun-07
Directors				
Cazalla Developments Pty. Limited	5,000,000	-	-	5,000,000
Richard Freemantle	1,111,112	-	-	1,111,112
Jost Stollmann	11,680,999	6,456,333	-	18,137,332
Paul Wood	4,499,084	169,479	-	4,668,563
Pamela Wood	4,499,085	-	-	4,499,085
Mark Wood	666,667	-	-	666,667
Tamoda Pty Ltd	2,831,313	-	-	2,831,313
William and Delwyn Bartlett	924,222	183,333	-	1,107,555
Robert Alexander Ferguson	2,949,495	2,194,341	-	5,143,836
Dacroft Pty Ltd	1,818,182	1,352,674	-	3,170,856
Bradford Leon Banducci	1,186,868	318,981	-	1,505,849
Executives	-			
Peter and Nola Haig	1,472,222	600,000	-	2,072,222
Garry John Duursma	-	317,091	-	317,091
Mackbron Pty Ltd	181,818	198,486	-	380,304
Stephen Mitchinson	-	58,136	-	58,136
Total	38,821,067	11,848,854	-	50,669,921

30 June 2006	Outstanding at start of period 1-Jul-05	Shares Issued during the year	On exercise of options	Outstanding at end of period 30-Jun-06
Directors				
Cazalla Developments Pty. Limited	5,000,000	-	-	5,000,000
Richard Freemantle	-	1,111,112	-	1,111,112
Jost Stollmann	6,507,261	5,173,738	-	11,680,999
Paul Wood	3,253,630	1,245,454	-	4,499,084
Pamela Wood	3,253,631	1,245,454	-	4,499,085
Mark Wood	-	666,667	-	666,667
Tamoda Pty Ltd	2,500,000	331,313	-	2,831,313
William and Delwyn Bartlett	654,525	269,697	-	924,222
Robert Alexander Ferguson	-	2,949,495	-	2,949,495
Dacroft Pty Ltd	-	1,818,182	-	1,818,182
Bradford Leon Banducci	-	631,313	555,555	1,186,868
Executives				
Peter and Nola Haig	1,250,000	222,222	-	1,472,222
Mackbron Pty Ltd	-	181,818	-	181,818
Total	22,419,047	15,846,465	555,555	38,821,067

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2007

20. RELATED PARTY DISCLOSURES (cont'd)

Option Holdings of Key Management Personnel

30 June 2007	Outstanding at start of period 1-Jul-06	Granted as Remuneration	Options exercised/ expired during the year	Outstanding at end of period 30-Jun-07	Exercisable at end of period 30-Jun-07
Linear/Service vesting schedule					
Directors					
Richard Freemantle	486,667	43,636	-	530,303	530,303
Jost Stollmann	1,020,000	436,364	-	1,456,364	1,456,364
Paul A Wood	2,133,333	436,364	-	2,569,697	2,569,697
William J Bartlett	386,667	43,636	-	430,303	430,303
Denis A Calvert	386,667	43,636	-	430,303	430,303
Rob Ferguson	32,821	43,636	-	76,457	76,457
Thomas Girgensohn	13,427	43,636	-	57,063	57,063
Bradford L Banducci	211,111	145,455	-	356,566	356,566
Executives					
Peter J Haig	1,260,000	218,182	-	1,478,182	1,238,182
Mark Wood	250,000	18,304	-	268,304	166,127
John Hallis	102,564	109,091	-	211,655	211,655
	6,283,257	1,581,940	-	7,865,197	7,523,020
Fully vested at time of grant					
Directors					
Richard Freemantle	240,000	-	-	240,000	240,000
Jost Stollmann	-	109,091	-	109,091	109,091
Paul A Wood	750,000	109,091	-	859,091	859,091
Bradford L Banducci	2,777,778	109,091	-	2,886,869	2,886,869
Executives					
Peter J Haig	1,000,000	109,091	-	1,109,091	1,109,091
Mark Wood	86,667	9,152	20,000	75,819	75,819
John Hallis	-	1,909,092	181,819	1,727,273	90,909
Garry Duursma	-	1,818,183	181,819	1,636,364	-
	4,854,445	4,172,791	383,638	8,643,598	5,370,870
Total	**11,137,702**	**5,754,731**	**383,638**	**16,508,795**	**12,893,890**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2007

20. RELATED PARTY DISCLOSURES (cont'd)

Option Holdings of Key Management Personnel (cont'd)

30 June 2006	Outstanding at start of period 1-Jul-05	Granted as Remuneration	Options exercised during the year	Outstanding at end of period 30-Jun-06	Exercisable at end of period 30-Jun-06
Linear/Service vesting schedule					
Directors					
Richard Freemantle	460,000	26,667	-	486,667	486,667
Jost Stollmann	886,667	133,333	-	1,020,000	1,020,000
Paul A Wood	2,000,000	133,333	-	2,133,333	2,133,333
William J Bartlett	360,000	26,667	-	386,667	386,667
Denis A Calvert	360,000	26,667	-	386,667	386,667
Rob Ferguson	-	32,821	-	32,821	32,821
Thomas Girgensohn	-	13,427	-	13,427	13,427
Executives					
Peter J Haig	1,260,000	-	-	1,260,000	900,000
Bradford L Banducci	-	211,111	-	211,111	211,111
John Hallis	-	102,564	-	102,564	102,564
	5,326,667	706,590	-	6,033,257	5,673,257
Fully vested at time of grant					
Directors					
Richard Freemantle	240,000	-	-	240,000	240,000
Jost Stollmann	-	-	-	-	-
Paul A Wood	750,000	-	-	750,000	750,000
Executives					
Peter J Haig	1,000,000	-	-	1,000,000	1,000,000
Bradford L Banducci	-	3,333,333	555,555	2,777,778	2,777,778
John Hallis	-	-	-	-	-
	1,990,000	3,333,333	555,555	4,767,778	4,767,778
Total	**7,316,667**	**4,039,923**	**555,555**	**10,801,035**	**10,441,035**

20. RELATED PARTY DISCLOSURES (cont'd)

Option Terms and Conditions

Stock option grants may be exercised, in whole or in part, subject to vesting terms and conditions indicated below:

Type	*Terms and Conditions*
Linear vesting schedule	Options may be exercised linearly during the vesting schedule as to the shares subject to options, with vesting subject to maintaining continuous status as an employee or consultant with the Company.
Service vesting schedule	The options with service vesting schedule may be exercised as to a set number of shares per agreed day of consulting service, as defined in the specific option grant.
Fully vested at time of grant	Options may be exercised as to all shares from the vesting commencement date.

Other transactions with directors

There were no other transactions with directors.

Transactions with other related parties

None during the year.

MONEYSWITCH LIMITED

ABN 49 103 575 042

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of MoneySwitch Limited, I state that:

(1) In the opinion of the directors:

a. the financial statements and notes of the company are in accordance with the Corporations Act 2001, including:

i. giving a true and fair view of the company's financial position as at 30 June 2007 and of their performance for the year ended on that date; and

ii. complying with Accounting Standards and Corporations Regulations 2001; and

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.

(2) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial period ending 30 June 2007.

On behalf of the Board

Thomas Girgensohn
Director and Audit Committee Chair

Jost Stollmann
Director and Chief Executive Officer

Sydney, 3 September 2007