MoneySwitch Limited ABN 49 103 575 042

(Trading as Tyro Payments)

Annual report to shareholders

Year ended 30 June 2010

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Building a specialised banking institution (SCCI) for merchants

MoneySwitch Limited trading as Tyro Payments (or “Tyro”) is an Australian banking institution specialised in facilitating the acceptance of electronic payments on behalf of merchants and recurrent billers.

Tyro holds an authority under the Banking Act to carry on a banking business as a Specialist Credit Card Institution (SCCI) and operates under the supervision of the Australian Prudential Regulation Authority (APRA). Tyro does not take money on deposit. Tyro is a Principal Member of Visa and MasterCard and a Tier One Member of the Australian payment clearing streams BECS and CECS.

Tyro provides an in-house developed, end-to-end solution, authorising, clearing and settling electronic payments. Tyro accepts Visa, MasterCard, American Express/JCB, Diners, PIN based EFTPOS as well as Medicare Easyclaim, gift and loyalty card transactions. Under its banking authority, Tyro is also able to provide additional services of BPAY and direct debit services. The Tyro solution is IP based and all transactions are processed in real time.

As an acquirer only, Tyro does not issue cards, thereby eliminating any potential conflict of interest between serving cardholders and merchants. At the end of June 2010, Tyro completed its third full fiscal year trading, since the commercial launch of its EFTPOS facility on 26 April 2007.

Our vision and guiding principles

Our vision is to be the most efficient acquirer of electronic card transactions in Australia, providing innovative service, functionality and value. Our directors, managers and employees strive to demonstrate honesty, integrity and diligence, to act in accordance with the law and always to maintain a spirit of fairness, justice and equity at all times.

Our governance

Whilst Senior management has responsibility for Tyro’s day-to-day management, in line with legal requirements, the Board of Directors (the board) has ultimate responsibility for Tyro’s sound and prudent management.

In line with best practice and in particular the requirements of APRA Prudential Standard 510: Governance, the board establishes corporate policy and direction, supported by operational management. The board also establishes advisory committees in respect of key aspects of the business which assist it in carrying out its functions, as well as providing it with expert advice on key issues. The primary role of the board is to provide effective governance over company affairs, including its strategic direction, establishing goals for management and monitoring the achievement of those goals, to ensure that the interests of stakeholders are protected and the confidence of the merchant acquiring market is maintained, whilst having regard for the interests of all stakeholders including customers, employees and suppliers.

The board currently consists of six directors, with a majority of four directors and the Chairman meeting APRA’s independence requirements. These requirements are largely consistent with that of the Corporations Act. The directors of the board have set standards of policy and conduct applicable at all levels of Tyro to ensure stringent compliance with the Tyro Code of Conduct, the Corporations Act 2001, the National Privacy Principles 2001 and the Banking Act 1959 and all other applicable regulation. In particular, the board is cognisant of its lifecycle and requirements and the need to maintain access to independent expertise. Consequently it has established a policy of board renewal that ensures it has the necessary expertise and general reinvigoration while also maintaining ongoing understanding of Tyro’s business.

Building the merchant portfolio

Tyro has grown his merchant portfolio in the health and general retailing space.

	June 2009	June 2010	Growth
No of merchants or merchant outlets (MID)	1,431	2,991	109%
No of credit and debit card transactions	929,124	1,696,299	83%
No of Medicare Easyclaim transactions	96,000	590,000	515%
Value of credit and debit card transactions	$78.8 million	$127.3 million	62%

Tyro Health: Medical Practices and Pharmacies

Since launching, Tyro has focused on opportunities within primary care and related health markets. Specifically Tyro has targeted the installed base of Health Communication Network (HCN). HCN is the leading Australian provider of e-health and practice automation solutions and addresses both the General Practitioner and Specialist Practitioner market place.

By end of June 2010, there were over 1000 medical practices using a Tyro facility. Tyro has also integrated with several pharmacy-focused point of sale solutions. By June 2010, there were 61 pharmacies in production.

As at end of June 2010, 45% of Tyro's revenue has come from this line of business.

Medicare Easyclaim

Tyro has deployed Australia's first integrated Easyclaim platform. Easyclaim is a real-time Medicare claiming and reimbursement service for patient-paid and bulk bill claims using an EFTPOS terminal and the EFTPOS network from the medical practice immediately after the consultation has occurred.

HCN has integrated the Easyclaim platform into its PracSoft practice management system. The highly automated end-to-end solution was first launched in April 2009.

Tyro and HCN have developed a seamless process of electronic payment, claiming, reimbursement and reconciliation. The claim and Medicare card data is automatically transferred from the practice management system (PMS), where it resides, through the Tyro EFTPOS terminal to Medicare and from Medicare back to the PMS for reconciliation.

Medicare statistics show that in June 2010 there were 8.4 million claims for GP Professional Attendances. During the same month, Tyro processed 596,000 Easyclaim transactions.

By end of June 2010, 856 HCN practices used integrated Easyclaim. Tyro estimates that this is 32% of the current HCN installed base.

Further Growth Opportunities

There are attractive growth opportunities in the corporate medical market place. These opportunities rely heavily on the active participation of the target corporate customers to bring the revenue opportunities to fruition. Tyro will pursue these opportunities in the next financial year.

Tyro Retail

Tyro is continuing to develop its EFTPOS platform in line with its overall strategy of accessing merchants via Point of Sale (POS) vendors. The introduction of the Tyro Terminal Adaptor (TTA) has meant that POS vendors no longer have to implement the integration protocol directly; rather they communicate with the TTA, which is co-located on the POS. This change has meant that integration with Tyro no longer requires weeks of effort but merely days and integrations are far more robust.

The TTA is a high quality and easy to use application which has been very well received by the POS vendor community as a whole. Tyro has a steady flow of POS vendors completing the integration process with Tyro and the ease of use of the TTA has facilitated this trend.

As at 30 June 2009, Tyro had completed seventeen certified POS integrations. During the year Tyro completed integration and certification with a further eight POS vendors. In the Tyro business model for integrated EFTPOS, the POS vendor is the sales channel. This is achieved by revenue sharing with our business partners. One of the key integrations delivered during the year is MYOB Retail Manager.

Recently Tyro has implemented a Product Management team. The objective of the team is a combination of developing a road map for future development and providing business analyst support for current development.

Tyro Special Projects

During the reporting year, Tyro delivered an online tenant rental solution for Westfield Limited. The solution enables Westfield tenants to pay rent or ad hoc charges via an online portal using a credit card.

Leveraging the Internet

Tyro architecture allows larger retail organizations to cut their infrastructure cost by reducing communication expense through the use of their corporate network and/or the public internet and by eliminating an expensive software and hardware middleware layer used by incumbents for aggregation and integration purposes. Tyro is the only EFTPOS provider with the capability of secure integrated credit and debit card processing in a “thin client” (web-based) infrastructure. Tyro removes constraints and enables businesses, no longer tied to legacy technology, to radically improve the efficiency of their processes.

Product Expansion

To date, the TTA only suits a generic retail environment (purchases and refunds). Tyro has recognised that if it is to achieve greater success with this strategy, then it needs to become closer aligned to the workflow of POS systems. Tyro has identified the hospitality sector as an attractive market segment.

There are several POS vendors in the hospitality sector with whom Tyro has integrated with or recently begun an integration project. Tyro is working closely with the leading players in this sector to develop its differentiated hospitality product. The solution is planned to be released in stages over the next financial year.

Tyro Culture

Environmental Sustainability

Climate change is not simply an environmental issue, it's a key business and social issue which impacts us all. By the very nature of its innovative internet-based technology, Tyro is contributing to a more sustainable future with paperless statements, integrated receipt, online reporting and web based documentation. With the development of integrated receipt Tyro continues to further expand its environmental awareness beyond corporate headquarters to a growing proportion of its customer base. Tyro has implemented a company wide recycling program and continues to search for new and efficient ways to minimise its environmental footprint.

Supporting Employees

Tyro's 51 employees are critical to its continued success. By utilising comprehensive recruitment and pre-screening practices for all employees, along with at least annual performance management reviews, Tyro endeavours to recruit, retain and suitably reward the best people in the industry. All employees are offered to participate in the Employee Share Option Plan.

Security is top of mind in the financial industry

Over the last year Tyro has rolled out EMV (chip card) for Visa and MasterCard to over 91.1% of its terminals. A measure of success in the application is the rate of fallback transactions, where the operator has been unsuccessful in processing with the chip and instead falls back to using the magnetic strip. The industry average for Australia is around 3%, while tyro is now down to 1.37%.

At one point in time Tyro had PCI DSS certification, but it has lapsed. The emphasis going forward is to regain PCI compliance certification. There are 3 facets to PCI compliance:

- PCI PA which covers the payment application as used by merchants and includes the function on the terminal and any integrated systems.
- PCI DSS which covers our internal operational procedures to ensure the security of cardholder data.
- Merchant PCI DSS, which has been placed by Visa and MC at the door of the acquirer.

Tyro is working with compliance assessors in order to address the first 2 points above, while building a strategy for dealing with the third issue. A recent addition to Tyro's product range is an "Electronic Imprint" capability, which is a foundation technology for reducing the PCI DSS compliance issue for merchants in the card not present (non eCommerce) environments.

Tyro has continued to have negligible fraud and its chargeback ratio is low by industry standards.

Availability

Tyro is committed to a highly available service. For example, if required, Tyro can switch to a redundant system via an automated and transparent process, without the need of human intervention.

Tyro maintains two data centres (DC) at different locations, referred to as South and North. The North DC has been configured and tested as a dedicated disaster recovery site and Tyro started processing transactions there in November 2006. Historically the North DC has been used in 'component failure' scenarios. Testing highlighted the various time to recover requirements across the total infrastructure. Tyro set out to move towards a live-live infrastructure that takes all of the various availability requirements into account

Tyro has addressed single points of failure with its live-live initiative. Tyro's live-live initiative has been successfully implemented and tested. Tyro now has 4 financial transaction switches (SW) available and two additional integration servers (INT) on standby.

Directors Report

The Board of Directors of MoneySwitch Limited has pleasure in submitting its report for the financial year ended 30 June 2010. 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. All directors were in office for the entire year unless otherwise stated.

Names, qualifications, experience and special responsibilities:

Kerry Roxburgh (Chairman)

Non-executive Director since 18 April 2008

Kerry was one of the founders, CEO then Chairman of E*Trade Australia until ANZ Banking Group acquired the business in 2007. Kerry spent 10 years as an executive director of the Hong Kong Bank of Australia Group including 5 years as managing director of their corporate finance subsidiary. He is non-executive chairman of Charter Hall Limited and of Tasman Cargo Airlines Pty Limited. He is a non-executive director of Ramsay Health Care, The Medical Indemnity Protection Society Group, Law Cover Insurance Pty Limited and of a private investment company. Kerry is a member of the Audit Committee, Remuneration Committee and Risk Committee.

Directorships held during the past 3 years:

- BTIG Australia Limited (ceased January 2009)
- Charter Hall Limited
- eircom Holdings Limited (ceased January 2010)
- E*trade Australia Limited (ceased June 2007)
- Everest Financial Group Limited (ceased May 2009)
- MoneySwitch Limited
- Professional Insurance Australia Pty Ltd (ceased June 2010)
- Ramsay Health Care Limited

Brad Banducci

Non-executive Director 14 December 2006 to 21 September 2009

Brad spent 15 years working in Australia, USA and New Zealand for the Boston Consulting Group, a leading global management consulting firm specialising in working with the Global 2000 companies to help grow and transform their business. Brad spent the last 8 years as a global vice president and director. 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 CFO of MoneySwitch Limited from August 2005 until October 2006. He is now CEO of Cellarmasters Group.

Directorships held during the past 3 years:

- Kennedy Corporation (t/a Cellarmasters Group) and subsidiary entities
- MoneySwitch Limited

Michael Cannon-Brookes

Non-executive Director since 10 December 2009

Michael is Co-Founder, CEO and director of Atlassian, an innovative, award-winning enterprise software company based in Australia and established in 2002. Michael was named Australian IT Professional of the Year in 2004, awarded 'Australian Entrepreneur of the Year' by Ernst & Young in 2006 and honoured by the World Economic Forum in 2009 as a Young Global Leader. Michael is an active investor and advisor to technology-focused ventures. Michael is Chairman of the Remuneration Committee.

Directorships held during the past 3 years:

- Atlassian Corporation Pty Limited & Subsidiaries
- MoneySwitch Limited

Rob Ferguson

Non-executive Director since 14 November 2005

Rob began his career as a research analyst for a Sydney stockbroker. He joined Bankers Trust Australia in 1972 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 mid 1990s, BT had $50 billion under management. Rob became chairman of BT Funds Management in 1999 until he resigned the position in 2002. Rob is a member of the Audit Committee, Remuneration Committee and the Risk Committee.

Directorships held during the past 3 years:

- Chairman of GPT Management Holdings Limited
- Deputy Chair of the Sydney Institute
- Director of the Lowy Institute.
- MoneySwitch Limited
- Non-executive Chairman of IMF (Australia) Ltd
- Non-executive Chairman of Primary Health Care Limited

Other previous directorships of listed or unlisted companies held by Rob Ferguson:

- Director of Westfield Holdings Ltd (1994 – 2004)
- Chairman of Vodafone Australia (2000 – 2002)
- Chairman of Nextgen Limited (2000 – 2004)
- Director of Racing, NSW (2004 – 2009)

Dr Thomas Girgensohn

Non-executive Director since 9 March 2006

Thomas brings extensive Australian and international experience in the consulting sector to MoneySwitch Limited. Previously managing partner (Australia and NZ) of the Boston Consulting Group and former chairman of Netcomm Ltd and TDG Logistics,he has a PhD in Business Administration from the University of Munich, a Masters of Business Administration from the University of Saarbrucken and a Bachelor of Economics from the University of Bochum, all in Germany. Thomas is a current Fellow of the Australian Institute of Company Directors, Chairman of the Audit Committee and a member of the Remuneration and Risk Committees.

Directorships held during the past 3 years:

- Australian Co-operative Foods Limited (ceased)
- Make-A-Wish Australia
- MoneySwitch Limited
- Stemcor Australia Pty Ltd

Paul Rickard

Non-executive Director since 28 August 2009.

Until July 2009, Paul was the Executive General Manager & Chief Information Officer, Payments & Business Technology for the Premium Business Services organisation at the Commonwealth Bank of Australia. The board believes that Paul brings a tremendous amount of commercial acumen and experience in the delivery of IT projects and services. Paul is Chairman of the Risk Committee.

Directorships held during the past 3 years:

- MoneySwitch Limited

Jost Stollmann

Director and CEO 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.

Directorships held during the past 3 years:

- MoneySwitch Limited

Justin Mitchell

Company Secretary since 12 April 2007

Justin is Company Secretary and Audit and Compliance Manager at MoneySwitch Limited. Justin has over fourteen years experience in the financial services and banking industry, having spent five years with Westpac in operational and project roles and most recently as Risk and Audit Manager with EDS. His wide risk, compliance and audit experience includes the design and set up of internal audit functions, design and implementation of risk frameworks and internal compliance plans and controls. Justin has also developed and delivered enterprise-wide risk and compliance training.

Justin has not held any directorships during 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:

Director	Shares	Options
Kerry Roxburgh*	690,182	916,667
Brad Banducci%	5,289,262	3,775,427
Michael Cannon-Brookes	0	444,443
Rob Ferguson#	22,072,348	10,609,233
Thomas Girgensohn^	8,533,052	4,330,689
Paul Rickard	124,102	790,769
Jost Stollmann	41,585,685	22,524,986

* Includes Ordinary Shares and options jointly held with Alex Roxburgh as trustees for the Kerry & Alex Roxburgh Superannuation Fund being associates of Kerry Roxburgh.

% Includes Ordinary Shares and options held by Guy Leon Banducci and Lisa Marie Banducci being associates of Brad Banducci.

Includes Ordinary Shares and options held by Torryburn Superannuation Fund and Ordinary Shares and options jointly held by Simon Peter Price and Rachel Emma Ferguson being associates of Rob Ferguson

^ Includes Ordinary Shares and options held by Dacroft Pty Ltd and The Girgensohn Family Trust being associates of Thomas Girgensohn

DIVIDENDS

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

CORPORATE INFORMATION

Corporate Structure
MoneySwitch Limited trading as Tyro Payments ("Tyro") is an unlisted public company. It is incorporated and domiciled in Australia. The registered office of Tyro is Level 2, 125 York Street, Sydney, New South Wales, 2000.

Nature of operations and principal activities
Tyro's principal activities are:

- Providing electronic transaction acquiring services to Australian businesses (merchants). This includes the authorisation, clearing and settlement of credit card, pin based debit card, EFTPOS, Easyclaim and gift card transactions.
- 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
Tyro employed 51 employees as at 30 June 2010 (compared to 41 employees at 30 June 2009).

OPERATING AND FINANCIAL REVIEW

Overview
Tyro was founded on 3 February 2003 by Paul Wood, Peter Haig and Andrew Rothwell. Two founders Peter Haig and Andrew Rothwell have maintained their active association with Tyro. In November 2004 Jost Stollmann became a major investor, Director and CEO. Kerry Roxburgh joined as non-executive Director on 18 April 2008. He was appointed Chairman of the Board on 19 February 2010.

Tyro positions itself as a specialised institution focused on merchant acquiring acting as a developer of its own acquiring technology, as a processor of its own transactions and as acquirer of record with its own banking authority.

Credit and Debit Acquiring Services
Tyro is a specialist financial institution focused on providing credit and debit acquiring services. As such, it 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
Tyro'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, Tyro owns its own switching and payment software and has continued to develop this for further competitive advantage over the course of the year.

Performance Indicators
Reviewing and approving all Tyro business strategies and significant policies, the board ensures that it is satisfied that all aspects of management and operations conform to its strategy, direction and policies. Additionally, the board monitors management practice and ensures that senior management adhere to set KPI's in all spheres of the business. It practices a rigorous program of board meetings, board committee meetings and the stringent review of a range of regular management reports encompassing all aspects of the business, including finance, operations, sales and strategy.

In particular, the board ensures that an effective system of risk management and internal control is established and maintained, and that senior management proactively monitors the effectiveness of the risk management framework.

Operating Results for the Year
Tyro reported an operating loss after providing for income tax of $1,823,959 (2009: $5,113,175 loss). This fell short of the initial forecast result but remained in line with expectations given that the company decided to increase capacity and resourcing in the third quarter of the period.

2010		2009	
Revenues	**Operating Loss**	**Revenues**	**Operating Loss**
$14,298,130	$1,823,959	$6,282,651	$5,113,175

One of Tyro's business partners agreed with Tyro to forego commission payments for the period from 1 January 2009 to 30 June 2010 in return for a heightened commission payment for the period from 1 July 2010 to 31 December 2011. The impact of this agreement decreased losses for fiscal year 2009 by $0.1 million and for fiscal year 2010 by $0.9 million.

From July 2010, Tyro will pay a heightened commission which will increase commission expense for the following eighteen months.

Investments for Future Performance
Tyro has invested significantly in human resources to develop its availability and speed of the 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 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 necessary to offer acquiring services.

Capital Structure
During the period, Tyro issued 61,018,733 ordinary shares on 11 December 2009 raising $3,661,123.98 of additional capital. The capital was raised to ensure Tyro was fully compliant with prudential capital requirements imposed by APRA and to fund on-going operations. As at 30 June 2010 Tyro had accounts payable of $267,688.

Cash from Operations
Tyro continued to operate at a loss for the 2009/10 financial year, in line with the fact that it is still an emerging operational business. Tyro had interest income of $343,306, for the period.

Funding
Tyro had cash in bank of $4,428,938 at the end of the period.

Under its banking authority as a SCCI, Tyro is subject to a Prudential Capital Ratio (PCR) set by APRA. The regulatory minima is set in three ways, by a PCR, minimum Tier 1 Ratio and a minimum Net Tier 1 Capital requirement. The PCR is confidential and cannot be disclosed. APRA requires Tyro to always maintain a prudent buffer above the regulatory minima. Internal limits are always above the capital minima and these internal limits currently are:

	PCR	Tier 1 Ratio	Net Tier 1 Capital
Level 1	22%	22%	$5.5 million

Total Tier 1 capital held as at 30 June 2010 was $10.5M. Tyro has always held sufficient capital to meet APRA's prudential capital requirements.

Risk Management

Tyro is prudentially supervised by APRA and is required to comply with prudential standards and provide quarterly capital adequacy and liquidity reporting. Tyro has undertaken improvements to its 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 of its acquiring business.

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*.

Liquidity

Although Tyro has made operating losses in prior years, this is in line with expectations given that Tyro remains in the start-up and development phase of its business. Tyro has significantly reduced its operating loss for the year ended 30 June 2010 and holds sufficient cash 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 Tyro is a viable going concern as the next phase of the business plan approaches; one of an emerging operational business.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs.

Significant events after balance date

There are no significant events after balance date.

Likely developments and expected results

The directors predict that in the 2010/11 financial year Tyro will continue to grow the acquiring business and continue to expand the functionality of electronic transaction acquiring services.

SHARE OPTIONS

Unissued shares

As at the date of this report, there were 39,359,508 un-issued ordinary shares under options under the Employee Share Option Plan.

There are a further 61,018,733 un-issued ordinary shares under options attached to the 11 December 2009 capital-raising, these options expire on 11 December 2011.

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 one employee exercised 103,261 options. 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, Tyro 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:

> 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, Tyro has paid premiums in relation to a contract insuring all of its directors and officers against legal costs incurred in defending proceedings for conduct involving:

(a) a willful 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:

	Board Meetings	Audit Committee	Risk Committee	Remuneration Committee
Number of meetings held during the year	7	3	5	2
Director				
Kerry Roxburgh	6	2	4	2
Brad Banducci^	3	2	2	1
Michael Cannon-Brookes*	4	2	3	1
Rob Ferguson	6	2	4	2
Thomas Girgensohn	6	3	3	1
Paul Rickard	7	3	5	2
Jost Stollmann	7	3	5	2

^Brad Banducci resigned as director on 21 September 2009. Brad attended all meetings prior to his resignation during the year.
*****Michael Cannon-Brookes was appointed on 10 December 2009. Michael has attended all meetings since his appointment during the year.

Committee Membership

As at the date of this report, Tyro 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 Committee	Risk Committee	Remuneration Committee
T Girgensohn (Chairman)	P. Rickard (Chairman)	M. Cannon-Brookes (Chairman)
R Ferguson	R Ferguson	K. Roxburgh
K Roxburgh	T Girgensohn	T. Girgensohn
	K Roxburgh	R. Ferguson

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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 2010, 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

Andrew Gilder
Partner
16 September 2010

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
Continuing Operations			
Fees and commission income	2	12,648,612	4,760,168
Fees and commissions expense	2	(7,134,777)	(3,162,177)
Net fees and commissions Income		5,513,835	1,597,991
Terminal and accessories sale		733,200	674,255
Terminal and accessories COGS		(586,998)	(595,877)
Net Terminal and Accessories Sale Income		146,202	78,378
Medicare Subsidy		573,012	499,075
Interest Income	2	343,306	349,152
Other Income	2	109,354	55,254
Net gain on financial instruments		2,584	670
Total Operating income		6,688,294	2,580,520
Less : Expenses			
Engineering expenses	2	2,074,291	1,828,118
Operations expenses	2	3,033,126	2,742,894
Sales and marketing expenses	2	841,269	541,000
Administrative expenses	2	2,527,378	2,435,662
Impairment of inventory		22,543	38,842
Bad debt and chargeback loss expense		13,644	107,179
Total operating expenses		8,512,251	7,693,695
Operating loss before tax expense		(1,823,958)	(5,113,175)
Income tax expense	3	-	-
Net loss for the year		(1,823,958)	(5,113,175)
Other Comprehensive Income			
Net fair value gain/(loss) on available for sale financial instrument		9,635	(11,873)
Total comprehensive income for the period		(1,814,323)	(5,125,048)

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

MONEYSWITCH LIMITED
(TRADING AS TYRO PAYMENTS)
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STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2010

	Note	2010 $	2009 $
ASSETS			
Current Assets			
Cash and cash equivalents	4	9,564,904	7,384,983
Trade and other receivables	5	457,601	101,478
Prepayments	6	111,447	88,755
Inventories	7	280,882	527,400
Total Current Assets		10,414,834	8,102,614
Non-current Assets			
Available-for-sale investment	8	127,380	117,745
Property, plant and equipment	9	1,340,348	1,300,563
Total Non-current Assets		1,467,728	1,418,307
TOTAL ASSETS		11,882,562	9,520,921
LIABILITIES			
Current Liabilities			
Trade payables and other liabilities	11	940,747	1,251,853
Provisions	12	262,438	224,111
Total Current Liabilities		1,203,185	1,475,964
TOTAL LIABILITIES		1,203,185	1,475,964
NET ASSETS		10,679,377	8,044,957
EQUITY			
Contributed equity	13	30,401,219	26,733,899
Reserves	13	6,184,977	5,471,373
Retained earnings	13	(25,906,819)	(24,160,315)
TOTAL EQUITY		10,679,376	8,044,957

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

MONEYSWITCH LIMITED
(TRADING AS TYRO PAYMENTS)
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STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
STATEMENT OF CASH FLOWS			
Cash flows from operating activities			
Payments to suppliers and employees		(14,087,458)	(9,429,310)
Medicare Subsidy received		-	1,072,087
Interest and fee income received		12,765,973	5,091,591
Dividend Income Received		2,584	670
Terminals & Accessories Sale		733,200	674,255
Net cash used in operating activities	4	(585,701)	(2,590,707)
Cash flows from investing activities			
Purchase of property, plant and equipment		(911,781)	(841,341)
Proceeds from disposal of property, plant and equipment		10,083	115,437
Proceeds from maturity of treasury bonds		-	1,791,218
Net cash flows used in investing activities		(901,698)	1,065,314
Cash flows from financing activities			
Proceeds from issue of shares		3,667,320	5,150,567
Net cash flows from financing activities		3,667,320	5,150,567
Net increase/ (decrease) in cash and cash equivalents		2,179,921	3,625,174
Cash and cash equivalents at beginning of year		7,384,983	3,759,809
Cash and cash equivalents at end of year	4	9,564,904	7,384,983

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

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2010

		Attributable to equity holders of MoneySwitch Limited					
		Contributed Equity	**Asset revaluation reserve**	**Employee equity benefits reserve**	**Retained Earnings**	**Other reserves**	**Total**
	Note	**$**	**$**	**$**	**$**		
At 1 July 2008		21,536,912	47,754	4,370,351	(18,930,055)	55,858	7,080,820
Loss for the year		-	-	-	(5,113,175)	-	(5,113,175)
Other Comprehensive income		-	(11,873)	-	-	-	(11,873)
							-
Total comprehensive income		-	(11,873)	-	(5,113,175)	-	(5,125,048)
Issue of share capital		5,196,987	-				5,196,987
Share-based payments		-	-	892,198	-	-	892,198
Available-for-sale reserve							
Transfer to general reserve for credit losses		-	-	-	(117,085)	117,085	-
At 30 June 2009		26,733,899	35,881	5,262,549	(24,160,315)	172,943	8,044,957
Loss for the year		-	-	-	(1,823,958)	-	(1,823,958)
Other Comprehensive income		-	9,635	-	-	-	9,635
							-
Total comprehensive income		-	9,635	-	(1,823,958)	-	(1,814,323)
Issue of share capital		3,667,320	-	-	-	-	3,667,320
Share-based payments		-	-	781,423	-	-	781,423
Available-for-sale reserve							-
Transfer to general reserve for credit losses		-	-	-	77,454	(77,454)	-
							-
At 30 June 2010	13	30,401,219	45,516	6,043,972	(25,906,819)	95,489	10,679,377

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 2010

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 of MoneySwitch Limited (the Company) was authorised for issue in accordance with a resolution of the directors on 16. September 2010.

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 ($).

The financial report has been prepared on the basis of historical cost and except for some assets, as disclosed in this report, has been measured at fair values.

(b) Going concern

The Company is in its fourth year of operation and has made an operating loss of $ 1,823,959. It commenced operation in April 2007 with the launch of stand-alone EFTPOS facilities to the general public and has been incurring losses since.

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 internally from existing shareholders and/or externally from additional strategic investors as and when required. Liabilities recognised relate to trade payables from the course of ordinary operations and unearned income from the Medicare subsidy. No other lending has been sought from financial or other entities.

It is for the for the above reasons that the directors consider the company is able to pay its debts as and when they fall due, and therefore the entity is able to continue as a going concern.

(c) Statement of compliance

The financial report complies with Australian Accounting standards issued by the Australian Accounting Standards Board and complies with International Financial Reporting Standards issued by the International Financial Reporting Standards Board.

New Australian Accounting Standards which have recently been issued or amended but are not yet effective have not been adopted for the financial year ended 30 June 2010. At the date of this report, the directors have not assessed the impact of these new Australian Accounting Standards.

(d) New Accounting standards and Interpretations

(i) Changes in accounting policy and disclosure

The accounting policies adopted are consistent except as follows:

The company has adopted the new and amended Australian Accounting Standards and AASB interpretations as of 1 July 2009.

AASB 101 (Revised), AASB 2007-8 and AASB 2007-10 Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards
AASB 2008-1 Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations
AASB 2009-7 Amendments to Australian Accounting Standard – AASB 7

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1. STATEMENT OF ACCOUNTING POLICIES (cont'd)

(ii) Accounting standards and interpretations issued but not effective
Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been effective and have not been adopted by the company for the annual reporting period ending 30 June 2010 outlined in the table below:

Reference	Title	Summary	Application date of standard	Impact on Company financial report	Application date for Company
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting except for The amendment to AASB 107 explicitly states that only expenditure that results in a recognised asset can be classified as a cash flow from investing activities.	1-Jan-10		1-Jul-10
AASB 9	Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Re These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes from AASB 139 are described below. (a) Financial assets are classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. This replaces the numerous categories of financial assets in A (b) AASB 9 allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a r (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or l	1-Jan-13		1-Jul-13
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	The revised Standard introduces a number of changes to the accounting for financial assets, the most significant of which includes: ► two categories for financial assets being amortised cost or fair value ► strict requirements to determine which financial assets can be classified as amortised cost or fair value, Financial assets can only be classified as amortised cost if (a) the contractual cash flows from the instrument represent principal and interest ► an option for investments in equity instruments which are not held for trading to recognise fair value changes through other comprehensive income with no impairment testing and no recycling through profit or loss on derecognition ► reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for holding the asset changes ► changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income	1-Jan-13		1-Jul-13

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1. STATEMENT OF ACCOUNTING POLICIES (cont'd)

(ii) Accounting standards and interpretations issued but not effective (cont'd)

Reference	Title	Summary	Application date of standard	Impact on Company financial report	Application date for Company
AASB 124 (Revised)	Related Party Disclosures (December 2009)	The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including: (a) the definition now identifies a subsidiary and an associate with the same investor as related parties of each other; (b) entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other; and (c) the definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other. A partial exemption is also provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.	1-Jan-11		1-Jul-11
AASB 1053	Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements: (a) Tier 1: Australian Accounting Standards; and (b) Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements. Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The following entities apply Tier 1 requirements in preparing general purpose financial statements: (a) for-profit entities in the private sector that have public accountability (as defined in this Standard); and (b) the Australian Government and State, Territory and Local Governments.	1-Jan-13		1-Jul-13
AASB 2010-2	Amendments to Australian Accounting Standards arising from reduced disclosure requirements	This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements. AASB 1053 provides further information regarding the differential reporting framework and the two tiers of reporting requirements for preparing general purpose	1-Jan-13		1-Jul-13
AASB 2010-4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]	Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments. Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions Clarify that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be at	1-Jan-13		1-Jul-13

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1. STATEMENT OF ACCOUNTING POLICIES (cont'd)

(e) Significant accounting judgements, estimates and assumptions

In applying the Company's accounting policies management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Company. All judgements, 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 judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined as follows:

Share-based payments transactions - The Company recognises 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 11.

Classification of and valuation of investments - The Company classifies its investments in listed securities as 'available -for-sale' investments and movements in fair values are recognised directly in equity. The fair value of listed shares has been determined by reference to published price quotations in an active market.

Estimation of useful lives of assets - The estimation of the useful lives of assets has been based on historical experience. In addition, the condition of the assets is assessed at least once per year and considered against their remaining useful lives. Adjustments to useful lives are made when considered necessary. Depreciation charges are included in Note 10.

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 on a fixed amount per transaction. Fees related to the 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 the income statement.

- Revenue from gift-card transaction fees generated from merchants is based on a fixed fee per transaction and is recognised when transactions are processed.

- Revenue from processing Medicare Easyclaim generated from merchants is based on a fixed fee per transaction and is recognised when transactions are processed.

(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.

(iii) Service income

- Unearned income is recognised on the balance sheet upon receipt of payment for contractual agreements with customers. Revenue is brought to account in the income statement over time on a percentage completion basis.

(iv) Government/Medicare grant

- Government and government body grant income (such as Medicare) is recognised on a systematic basis over the term of the grant in the income statement. Amounts not yet taken to the income statement are held as "unearned income" in trade payables and other liabilities at the present value of future income to be recognised.

(g) 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 fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys a right to use the asset.

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 lease rental income. Operating lease payments are recognised as an income or expense in the income statement on a straight-line basis over the lease term.

Deferred Income is recognised as a liability on the balance sheet on inception of the lease. The deferred lease incentive is then recognised in the income statement on a straight line basis over the term of the lease, through lease expense.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and settlement account balances, presented on a net basis.

Settlement account balances result from timing differences in the Company's settlement processes with the schemes and the 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 generally settled on the next business day following the transaction processing date.

For the purposes of the Cash Flow Statement, cash and cash equivalents are reported net of outstanding bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1. STATEMENT OF ACCOUNTING POLICIES (cont'd)

(i) 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.

Collectability 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.

(j) Available-for-sale Investments

Available-for-sale investments are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the investment. After initial recognition these investments are measured at fair value. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is transferred to the income statement.

The Company currently does not have any investments categorised as held-for-trading.

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

(k) Inventories

The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. Inventories are subsequently held at the lower of cost and their recoverable amounts. Impairment is assessed on an annual basis (refer to Note 1(n)). Inventories are derecognised upon transfer to property, plant and equipment when leased out to merchants or rights to benefits are transferred to a third party.

(l) Income Taxes

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authority. 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.

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 loss or 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.

(m) Other Taxes

Goods and Services Tax (GST)

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

- when 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
- trade receivables and trade 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 other receivables or other payables in the balance sheet.

Cash flows used in or from operating activities 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 part of the Company's operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST.

(n) 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 any 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.

(o) Recoverable amount of inventory and property, plant and equipment

The carrying amounts of inventory and property, plant and equipment valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amounts at balance date. If the carrying amount of such an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1. STATEMENT OF ACCOUNTING POLICIES (cont'd)

(o) Recoverable amount of inventory and property, plant and equipment (cont'd)

The write-down is expensed in the reporting period in which it occurs.

Recoverable amount of an asset is the greater of its fair-value-less-costs-to-sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present values 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, their recoverable amounts are determined as part of the cash-generating unit to which the group of asset belongs, unless the value-in-use of this group of assets can be estimated to be close to its fair value.

(p) Property, plant and equipment

(i) Cost and Valuation

Property, plant and equipment are measured at cost less accumulated depreciation and any impairment in value (Note 1 (n)). 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.

(ii) Depreciation

Depreciation is provided on a straight-line basis over the estimated useful life of each specific item of property, plant and equipment.

Estimated useful lives are as follows:	**2010**	**2009**
Plant and equipment:		
- EFTPOS terminals	3 years	3 years
- Furniture and office equipment	5 years	5 years
- Computer equipment	4 years	4 years

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 1(n).

(iv) Derecognition and disposal

An item 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 the asset's carrying amount and are included in the income statement in the year the asset is derecognised.

Any expenditure so capitalised is amortised over the period of expected benefit from the related project.

(q) Trade and other payables

Liabilities for trade and other payables 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 Company.

(r) Provisions and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the 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 time is recognised as a finance cost.

Contingent liabilities 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 represent an existing liability in respect of which settlement is not probable or the amount cannot be reliably measured. Only when settlement becomes probable will a liability be recognised.

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 a 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1. STATEMENT OF ACCOUNTING POLICIES (cont'd)

(s) General reserve for charge backs

The Company provisions against credit risk by a general reserve for charge backs. The Company estimates the reserve by using a multiple of historical losses over a rolling 120 day period of transaction values. The general reserve for charge backs is then allocated as a separate reserve within equity.

The methodology and assumptions used for estimating chargeback provisions are reviewed regularly to reduce any possibilities that uncollectible chargebacks may not have been specifically identified.

(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.

Entitlements arising in respect of salaries and wages, annual leaves and other employee benefits that are expected be settled within one year have been measured at their nominal amounts.

Entitlements that arise in respect of long service leave which are expected to be settled more than 12 months after the reporting date have been measured at their present values of expected future payments.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave to be taken in the future by all employees at reporting date is estimated to be less than the annual entitlement for sick leaves.

Employee benefit expenses 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 in the income statement on a net basis in their respective categories.

(u) Share-based payment transactions

Share-based compensation benefits are provided to employees (including Key Management Personnel) via the Employee Share Option Plan, whereby employees render services in exchange for rights over the Company's shares.

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 any 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 the extent to which the vesting period has expired and the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is 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.

No expense is recognised for awards that do not ultimately vest. There were no modifications to the terms of the outstanding options during the financial year. Details of the types of share-based payments and their respective terms and vesting conditions are disclosed in Note 11.

(v) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are accounted in contributed equity as a deduction, net of tax, from the proceeds of issue.

(w) 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 spot rate of exchange ruling at the balance sheet date.

Non-monetary assets and liabilities are translated at their historic rates of exchange at their respective transaction dates.

(x) Derecognition of assets and liabilities

Assets and liabilities are derecognised from the balance sheet upon sale, maturity or settlement. Gains and losses arising from derecognition of these assets and liabilities are accounted in the income statement.

(y) Prepayments

Prepayments are recognised for amounts paid whereby goods have not transferred ownership to the company or where services have not yet been provided. Upon receipt of good or the service the corresponding asset is recognised in the balance sheet or the expense is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

2. REVENUE AND EXPENSES

The Operating loss before tax expense has been arrived at after accounting for the following items:

	2010 $	2009 $
Fees and commission income		
Easyclaim income	1,091,024	33,622
DCC commission	245,482	79,836
Merchant service fee	9,455,544	3,728,242
Debit card interchange fee	531,204	166,302
Terminal rental income	1,155,055	549,771
Development fee	125,999	194,442
Other fee income	44,304	7,954
	12,648,612	4,760,168
Fees and commission expense		
Interchange fees	4,865,541	2,074,756
Switching and settlement fees	270,641	72,365
Gift card processing expenses	7,541	(424)
Scheme fees	1,647,771	726,439
Commissions expense	241,347	215,469
Other expense	101,936	73,573
	7,134,777	3,162,177
Interest income		
Interest on cash and cash equivalents	343,306	349,152
	343,306	349,152
Other Income		
Gain or Loss on disposal of PPE	(2,615)	55,254
Foreign Currency Gain/Loss	111,969	-
	109,354	55,254
Net gain on available-for-sale investments		
Miscellaneous share income	2,584	670
Engineering expenses		
Employee benefits expense	1,962,536	1,764,850
Recruitment	57,995	13,476
Depreciation	32,910	38,074
Other expenses	20,850	11,718
	2,074,291	1,828,118
Operations expenses		
Communication and hosting	331,065	411,256
Employee benefits expense	1,259,919	1,147,378
Depreciation	785,284	660,040
Software and hardware maintenance	201,380	112,990
Other expenses	455,478	411,230
	3,033,126	2,742,894

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

2. REVENUE AND EXPENSES (cont'd)	2010	2009
	$	$
Sales and marketing expenses		
Marketing and branding	23,680	8,932
Employee benefits expense	773,083	500,880
Other expenses	44,506	31,187
	841,269	541,000
Administrative expenses		
Employee benefits expense	687,762	508,558
Professional fees	335,777	277,729
Interconnect and membership	128,559	107,621
Legal	116,873	93,989
Telephone and internet	53,360	52,520
Depreciation	41,103	33,624
Travel	22,641	31,426
Office supplies	48,703	79,148
Actual Chargeback (gains)/losses	-	-
Insurance	40,872	17,884
Recruitment	1,873	33,235
Utilities	19,043	11,842
Occupancy expenses	119,678	110,177
Share based payments expense	781,423	892,198
Shares issued in lieu of service period	-	79,677
Miscellaneous share expense	-	-
Other expenses	91,386	13,781
	2,527,378	2,435,662
Extracted from the above are the following:		
Employee benefits expense		
Wages, salaries and commissions	4,075,773	3,405,673
Termination Payment	15,990	29,063
Superannuation	362,873	297,021
	4,454,636	3,731,758
Depreciation of non-current assets		
Property, plant and equipment	859,297	516,946

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

3. INCOME TAX

(a) Income tax expense The major components of income tax expenses are	**2010** $	**2009** $
Income statement		
Current income tax		
Current income tax charge	(305,870)	(1,112,318)
Derecognition of deferred tax asset from tax losses*	305,870	1,112,318
Deferred income tax		
Deferred income tax relating to origination and reversal of temporary differences	(136,145)	(270,004)
Derecognition of deferred income tax from temporary differences*	136,145	270,004
Income tax expense reported in the statement of comprehensive income	-	-

(b) Amount charged or credited directly to equity		
Deferred tax on unrealised gain/(loss) on available-for-sale investment	2,891	(3,562)
Derecognition of deferred income tax*	(2,891)	3,562
Income tax expense reported in equity	-	-

(c) Reconciliation between tax expense recognised in statement of comprehensive income and tax expense calculated per the statutory income tax rate		
Accounting profit before income tax	(1,823,958)	(5,113,175)
At the statutory income tax rate of 30%	(547,187)	(1,533,953)
Non taxable income	-	-
Non deductible expenditure	238,404	293,315
Other	(133,231)	(141,683)
Derecognition of deferred income tax*	442,014	1,382,321
Total	-	-

(d) Recognised deferred tax assets and liabilities		
(i) Deferred tax assets		
Property plant and equipment	125,432	36,131
Provisions and accruals	10,487	41,372
Available-for-sale investments	-	3,562
Unearned Income	-	171,905
Other	1,288	21,764
	137,207	274,734
(ii) Deferred tax liabilities		
Property plant and equipment	-	-
Prepayments	1,062	1,168
Available-for-sale investments	2,891	-
	3,953	1,168
Net deferred tax asset/(liability) prior to derecognition	131,332	273,566
Derecognition of deferred income tax from temporary differences*	(131,332)	(273,566)
Net deferred tax asset recognised in the statement of financial position	-	-

* The company has not recognised any deferred tax on the basis that it does not meet the requirements under AASB 112 "Income Taxes"

4. CASH AND CASH EQUIVALENTS

Term Deposit	1,525,285	-
Call deposits	2,903,653	3,830,633
Exchange settlement balance	7,606,070	8,064,043
Due from other financial institutions	6,625,445	6,000,179
Due to other financial institutions	(4,916,722)	(7,404,142)
Due to merchants	(4,179,327)	(3,106,231)
Cash in hand	500	500
	9,564,904	7,384,983

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

4. CASH AND CASH EQUIVALENTS (cont'd)

Call deposits earn interest at floating rates based on daily bank deposit rates. The Reserve Bank of Australia (RBA) pays interest on balances held in exchange settlement accounts at a rate of 25 basis points below the cash rate. Refer to note 15 for details of cash and cash equivalents pledged as security.

Term deposits earn interest based on an agreed rate and term.

Reconciliation of operating loss after tax to net cash flows used in operations	**2010 $**	**2009 $**
Operating loss for the year	(1,823,959)	(5,113,175)
Adjustments for:		
Depreciation of non-current assets	859,297	731,738
Share-based payments and share issuance expense	781,423	971,875
Gain / Loss on disposal of property plant and equipment	2,615	-
Changes in assets and liabilities		
(Increase) / Decrease in trade and other receivables	(353,094)	6,781
(Increase) / Decrease in prepayments	(22,692)	(26,293)
(Increase) / Decrease in inventory	246,518	(81,676)
Increase /(Decrease) in trade and other payables	(275,809)	920,041
Net cash used in operating activities	(585,701)	(2,590,707)

5. TRADE AND OTHER RECEIVABLES

Trade debtors	437,973	83,497
Interest receivable	17,852	4,292
GST recoverable	-	11,784
Other receivables	1,776	1,905
	457,601	101,478

The Company's ageing of trade and other receivables is as follows:

	Current $	1-30 days* $	31-60 days* $	61-90 days* $	>90 days* $
Trade and other receivables before impairment Carrying Value 2010 (Total $457,601)	191,541	144,183	119,654	880	1,344
2009 (Total $101,478)	73,126	12,596	-	11,919	3,837

* These balances are past due net of impairment at balance sheet date.

Movements in the general reserve for credit losses account are detailed in Note 14 and the Company's accounting policy is outlined in Note 1(s).

	2010 $	**2009 $**
6. PREPAYMENTS		
Prepayments	111,447	88,755
	111,447	88,755

7. INVENTORIES

Terminals and accessories	295,142	554,821
EFTPOS paper rolls	8,285	11,421
Impairment of inventory	(22,544)	(38,842)
	280,882	527,400

8. AVAILABLE-FOR-SALE INVESTMENTS

Investment in VISA shares	127,380	117,745

These investments were acquired following the demutualisation of VISA International, as a result of which listed VISA shares were issued to members of the VISA network. All VISA shares were listed on the New York Stock Exchange (NYSE) on 26th March 2008 with VISA's certificate of incorporation providing for the mandatory buy back of up to 80% of the common stock allocated to VISA members out of IPO proceeds as soon as possible after listing.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

9. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of net carrying amounts at the beginning and end of the year:

	Eftpos Terminals $	*Furniture and Office Equipment $*	*Computer Equipment $*	*Total $*
Year ended 30 June 2009				
At 1 July 2008 net of accumulated depreciation and impairment	549,855	76,743	677,792	1,304,390
Additions	793,898	22,122	25,321	841,341
Disposals/transfers	(112,894)	(537)	-	(113,430)
Depreciation for the year	(405,107)	(28,018)	(298,613)	(731,738)
At 30 June 2009 net of accumulated depreciation and impairment	825,752	70,310	404,500	1,300,563
At 1 July 2008				
Cost or fair value	867,653	121,186	1,273,884	2,262,724
Accumulated depreciation and impairment	(317,798)	(44,443)	(596,092)	(958,334)
Net carrying amount	549,855	76,743	677,792	1,304,390
At 30 June 2009				
Cost or fair value	1,501,796	136,093	1,299,205	2,937,095
Accumulated depreciation and impairment	(676,044)	(65,783)	(894,705)	(1,636,532)
Net carrying amount	825,752	70,310	404,500	1,300,563

Reconciliation of net carrying amounts at the beginning and end of the year:

	Eftpos Terminals $	*Furniture and Office Equipment $*	*Computer Equipment $*	*Total $*
Year ended 30 June 2010				
At 1 July 2009 net of accumulated depreciation and impairment	825,752	70,310	404,500	1,300,563
Additions/transfers	780,131	27,200	103,974	911,305
Disposals/transfers	(12,223)	-	-	(12,223)
Depreciation for the year	(584,161)	(28,217)	(246,919)	(859,297)
At 30 June 2010 net of accumulated depreciation and impairment	1,009,498	69,294	261,556	1,340,348
At 1 July 2009				
Cost or fair value	1,501,796	136,093	1,299,205	2,937,095
Accumulated depreciation and impairment	(676,044)	(65,783)	(894,705)	(1,636,532)
Net carrying amount	825,752	70,310	404,500	1,300,563
At 30 June 2010				
Cost or fair value	2,254,817	159,121	1,403,179	3,817,118
Accumulated depreciation and impairment	(1,245,319)	(89,827)	(1,141,624)	(2,476,770)
Net carrying amount	1,009,498	69,294	261,556	1,340,348

Fully depreciated assets as at 30th June 2010 $108,713 (2009 : $104,417)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

10.SHARE-BASED PAYMENTS

The Company will provide benefits to employees and directors from time to time including share-based payments as remuneration for service.

(a) Employee Share Option Plan

The Employee Share 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.

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

Type of Option	Vesting 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 vest according to a period of service may be exercised as to a set number of shares per agreed day of 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 Employee Share Option Plan include:

- 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.
- Each option entitles the holder to one ordinary share.
- All awards granted under the Employee Share Option Plan are equity-settled.

(b) Fair value of options

The weighted average fair value of the share options granted during the financial year is 6cents (2009: 4 cents).

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 2010 and 30 June 2009:

	2010	2009
Dividend yield (%)	0%	0%
Expected volatility (%)	74%	74%
Risk-free interest rate (%)	5.79%	5.25%

A zero dividend policy assumption is used for valuing all option grants. This is in line with the Company's capital management policy 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 7 year options is assumed to be 5 years from the grant date. The expected life for 10 year option is assumed to be 5 - 8 years. For all other options with a contractual life of 1 - 5 years or less, the expected life is assumed to be the total contractual life (years) from grant date to expiry date.

There were 103,261 options exercised during the year ended 30 June 2010 (2009: 0).
The weighted average remaining contractual life for the share options outstanding as at 30 June 2010 was 5.27 years (2009: 5.53 years).

The following table summarises further details of the stock options outstanding at 30 June 2010:

Range of Exercise Prices	Contractual life	Vesting conditions	No of Outstanding Options
6 cents to 55 cents	10 years or less	5 year linear vesting	18,870,321
6 cents to 45 cents	5 years and 10 years	12 months service	2,634,782
6 cents to 55 cents	3, 5 and 10 years	12 months linear vesting	10,891,826
6 cents to 55 cents	10 years or less	Fully vested at time of grant	21,782,169
Total			**54,179,098**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

10.SHARE BASED PAYMENTS (cont'd)

The following table illustrates the number and weighted average exercise prices (WAEP) in Cents and movements of share options during the year:

	2010	2010	2009	2009
	No	*WAEP (Cents)*	*No*	*WAEP (Cents)*
Linear vesting schedule				
Outstanding at the beginning of the year	14,732,734	22	15,130,516	32
Granted during the year	17,065,770	8	4,026,085	9
Exercised during the year	(103,261)	6	-	
Forfeited/expired during the year	(1,933,096)	34	(4,423,867)	43
Outstanding at the end of the year	**29,762,147**	**15**	**14,732,734**	**22**
Exercisable at the end of the year	**14,942,557**	**16**	**8,236,623**	**21**
Fully vested at time of grant				
Outstanding at the beginning of the year	15,190,227	16	4,757,797	39
Granted during the year	6,847,827	6	13,043,478	6
Exercised during the year	-		-	
Forfeited/expired during the year	(255,885)	55	(2,611,048)	10
Outstanding at the end of the year	**21,782,169**	**10**	**15,190,227**	**16**
Exercisable at the end of the year	**21,782,169**	**10**	**15,190,227**	**16**
Service vesting schedule				
Outstanding at the beginning of the year	5,112,560	11	4,182,222	13
Granted during the year	-		2,434,782	6
Exercised during the year	-		-	
Forfeited/expired during the year	(2,477,778)	16	(1,504,444)	10
Outstanding at the end of the year	**2,634,782**	**6**	**5,112,560**	**11**
Exercisable at the end of the year	**2,634,782**	**6**	**5,112,560**	**11**
Total outstanding at the end of the year	**54,179,098**		**35,035,521**	
Total exercisable at the end of the year	**39,359,508**		**28,539,410**	

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

11. TRADE PAYABLES AND OTHER LIABILITIES

	2010 $	2009 $
Accounts payable	267,688	285,692
Unearned income	-	573,012
Rent payable	22,355	60,677
Accruals	297,866	147,925
Other liabilities	352,838	184,546
	940,747	1,251,853

12. PROVISIONS

Annual leave provision		
Balance at the beginning of the year	224,111	131,859
Provision during the year	74,572	122,504
Leave taken during the year	(36,245)	(30,251)
Balance at the end of the year	262,438	224,111
Current	262,438	224,111

No chargeback losses have been provided at reporting date.
No liability for long service leave existed at reporting date.

13. CONTRIBUTED EQUITY AND RESERVES

(i) Ordinary Shares
Issued and fully paid

Ordinary shares paid at 6 cents each	147,738,440	8,864,306	5,196,987
Ordinary shares paid at 10 cents each	3,540,688	354,069	354,069
Ordinary shares paid at 15 cents each	10,475,433	1,571,315	1,571,315
Ordinary shares paid at 30 cents each	32,520,837	9,756,251	9,756,251
Ordinary shares paid at 45 cents each	8,111,112	3,650,001	3,650,001
Ordinary shares paid at 55 cents each	11,282,322	6,205,277	6,205,276
		30,401,219	26,733,899

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

13. CONTRIBUTED EQUITY AND RESERVES (cont'd)

Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends when 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 ordinary shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

	No: Shares	$
Movement in ordinary shares on issue		
At 1 July 2008	65,930,392	21,536,912
Shares issued during the year:		
- 22 Oct 2008 shares issued as remuneration for service at 6c each	20,752,586	1,245,155
- 22 Oct 2008 equity raising at 6c each	65,090,345	3,905,421
- 19 Jun 2009 shares issued as remuneration for service at 6c each	773,515	46,411
At 1 July 2009	152,546,838	26,733,899
Shares issued during the year:		
- 11 Dec 2009 equity raising at 6c each	61,018,733	3,661,124
- 7 May 2010 shares exercised at 6c each	103,261	6,196
At 30 June 2010	213,668,832	30,401,219

	2010 $	2009 $
(ii) Share-based payments reserve		
Balance at the beginning of the year	5,262,549	4,370,351
Share-based payments expensed during the year		
- Share options issued during the year	781,423	892,198
Balance at the end of the year	6,043,972	5,262,549

Nature and purpose of reserve

The share-based payments reserve is used to record the value of share-based payments / benefits provided to any directors, employees and consultants as part of their remuneration or compensation.

Refer to Note 10 for further details of these plans.

(iii) General reserve for credit losses		
Balance at the beginning of the year	172,943	55,858
Transfer (to) / from retained earnings	(77,454)	117,085
Balance at the end of the year	95,489	172,943

The general reserve for credit losses has been created to satisfy Australian Prudential and Regulation Authority (APRA) prudential standards for Authorised Deposit-Taking Institutions (ADI) to maintain a general reserve for credit losses. The Company applies an internal methodology to estimate 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 and actual experience.

	2010 $	2009 $
(iv) Available-for-sale investment revaluation reserve		
Balance at the beginning of the year	35,881	47,754
Total revaluations for the year	9,635	(11,873)
Balance at the end of the year	45,516	35,881
Total reserves at the end of the year	6,184,977	5,471,373
(v) Retained losses		
Movements in retained losses were as follows:		
Retained losses at the beginning of the financial year	(24,160,315)	(18,930,055)
Net loss attributable to shareholders of the Company	(1,823,958)	(5,113,175)
Transfer to general reserve for credit losses	77,454	(117,085)
Retained losses at the end of the financial year	(25,906,819)	(24,160,315)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

14. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCESSES

The Company's principal financial instruments include cash and cash equivalents, trade and other receivables, held-to-maturity investments, available-for-sale financial assets and trade and other payables.

(i) 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's approved risk management strategy and for developing policies, controls, processes and procedures to identify and manage risks in all of the Company's activities. The Board has installed a Board Risk Committee to assist the Board in fulfilling its responsibilities in the management of risk. The Risk Committee overseas matters relating to credit, capital, liquidity, operational and other aspects of risk management.

(ii) Risk controls

Risk is controlled through a system that identifies key risks, establishes controls to manage those risks (with an emphasis on preventive control), and maintains a regular review process to monitor the effectiveness of 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 for risk management.

(iii) Internal audit

The Company has an internal audit program designed to evaluate the adequacy and effeteness of the financial and risk framework. Internal Audit also reviews the policies processes and control put in place by management to ensure compliance with APRA's prudential requirements. This program of internal control and audit is reviewed and approved on a regular basis by the Audit Committee.

(iv) Credit risk

Credit risk represents the loss if counterparties failed to perform as contracted. Credit risk arises from trade receivables, cash and cash equivalent balances, exposures to merchants and held to maturity investments. The maximum exposure to credit risk is represented by the carrying amounts of the financial assets at reporting date. 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. The operation of a credit risk grading system coupled with ongoing monitoring, reporting and review controls allows the Company to identify changes in the credit quality at client and portfolio levels, and take necessary corrective actions in a timely manner.

In addition, the Company is subject to the risk of credit card chargebacks in the event of a merchant failure. The maximum period of credit risk the Company is potentially liable for such chargebacks 120 days after the date of the transaction. The Company prudently manages the credit risk associated with its merchant portfolio both at an individual and a portfolio level, by monitoring the concentration of risk by industry and type of counterparty.

It is the Company's policy that all merchants are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. The Company has an existing portfolio of low-risk merchant categories and therefore minimal exposure to credit risk in terms of liabilities.

As part of equity, a general provision reserve for credit losses is raised to cover losses due to uncollectible chargebacks that have not been specifically identified. The reserve is calculated based on estimation of potential credit risk in the merchant portfolio based on a multiple of historical loss experience. 'The Company does not hold any credit derivatives of collaterals to offset its credit exposure. The Company trades only with recognised, creditworthy third parties and as such no collaterals are requested nor is it the Company's policy to securitise any of its financial assets. Credit exposures are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant at reporting date.

30 June 2010

Standard & Poors Credit Rating*	Cash and balances with financial institutions	Due from other financial institutions	Trade receivables
AAA	7,606,070	332,014	
AA	4,384,793	5,644,783	
A+	44,145	314,709	
AA-			
BBB+		333,939	
unrated			457,601

30 June 2009

Standard & Poors Credit Rating*	Cash and balances with financial institutions	Due from other financial institutions	Trade receivables
AAA	8,064,043	74,703	
AA	3,830,633	5,187,479	
A+		518,235	
AA-			
BBB+		219,817	
unrated			101,478

*Long-term credit rating

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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

(v) Operational risk

Operational risk is the exposure to inadequate or failed internal processes, people and systems or external events. Operational risk includes legal and regulatory risk, the risk of legal or regulatory penalty, financial loss arising from a failure to satisfy the regulatory standards that apply to a Specialist Credit Card Institution (SCCI).

(vi) Market risk

Market risk is the risk the fair value or future cashflows of a financial instrument will fluctuate because of changes in market prices or conditions, and comprises interest rate risk, foreign currency risk and other price risk. The Company does not engage in financial market trading activities nor assume any foreign exchange, interest rate or other derivative positions and does not have a trading book. The Company does not undertake any hedging around the values of its financial instruments as any risk of loss is considered insignificant to the operations of the Company.

Any government securities, bank bills or other marketable instruments that the Company holds are for investment or liquidity purposes and held in the normal course of business in line with investment and liquidity guidelines. Each component of market risk is detailed below as follows:

(a) Interest rate risk

The Company's financial assets and liabilities are subject to interest rate risk as their fair values will fluctuate in accordance with movements in the market interest rates. The Company has exposure to interest rate risk on its variable interest-bearing cash and cash equivalent balances. Held-to-maturity investments in treasury bonds are at fixed interest rate rates and as such are not exposed to any interest rate risk fluctuations. All other financial assets and financial liabilities at reporting date are non-interest bearing.

The following net exposure to interest rate risk is to be reported at balance sheet date:

	2010	2009
Cash and cash equivalents	9,564,403	7,384,482

Sensitivity analysis:

An increase of 100 basis points in the general cash rate (assuming every other factors being constant) will reduce the Company's loss after tax and increase equity by $120,350 (2009:$51,691). A decrease of 100 basis points in the general cash rate will have an equal and opposite effect.

(b) Foreign Currency risk

The Company's settlement of fees with card schemes and the purchases of inventory from foreign suppliers are transacted in foreign currencies and any balances at reporting date are translated at the exchange rate prevailing the balance sheet date. At reporting date the Company has some US Dollar and Euro exposure.

The following USD and EUR net exposure is to be reported at balance sheet date:

		AUD 2010	AUD 2009
Available-for-sale investments-VISA shares	USD	127,380	117,745
Trade Payables	EUR	115,689	180,391
USD Term Deposit	USD	1,525,285	-

Sensitivity analysis:

An appreciation of 15% of the US Dollar and EUR compared to the Australian Dollar (assuming every other factors being constant) will reduce the Company's loss after tax and increase equity by $248,752 (2009: $7,970). A depreciation of 15% of the US Dollar and EUR compared to the Australian Dollar will increase the company's loss after tax and reduce equity by $432,612 (2009:$4,695).

(c) Other Price Risk

The Company's investment in available-for-sale financial assets is valued by way of reference to an underlying listed equity on the New York Stock Exchange (NYSE) and as such its fair value will fluctuate in direct proportion with the quoted market price indicated. However, this investment is not linked to any NYSE Market Index and any form of Price risk as a result of movements caused by any specific index is considered minimal. No sensitivity analysis has been performed.

(vi) 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 liquidity forecasting and scenario analysis, 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.

The company forecasts cashflow and liquidity needs on a monthly basis with detailed scenarios analysis for critical funding periods such as Christmas. The company also has a capital plan in place which outlines triggers for required funding should liquidity be required.

At balance sheet date, the board of directors determined that there was a sufficient cash resources available to meet its anticipated expenditure and other financial liabilities.

The Company does not have any contractual financial liabilities at reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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

(vii) Fair values

The Company uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

Year ended 30 June 2010

	Quoted market price (Level 1)	Valuation technique - market observable inputs (Level 2)	Valuation technique - non market observable inputs (Level 3)	Total
Financial Asset				
Available for sale	-	127,380	-	127,380

Year ended 30 June 2009

	Quoted market price (Level 1)	Valuation technique - market observable inputs (Level 2)	Valuation technique - non market observable inputs (Level 3)	Total
Financial Asset				
Available for sale		117,745	-	117,745

Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs.

For financial instruments not quoted in active markets, the Company uses valuation techniques such as present value techniques, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

Transfer between categories

There were no transfers between Level 1 and Level 2 during the year.

(viii) Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Company's capital is monitored using, among other measures, the rules and ratios established by APRA. The Company has aligned its objectives and processes in respect of risk management around the prudential standards.

The Company has an internal policy target ratio above the prudential limit requirement and includes elements for risk exposures such as market, operations and credit risk.

During the past year, the Company complied in full with APRA's capital minima. In all planning, the Company maintains a minimum of 22% capital adequacy to ensure there is a sufficient buffer to the regulatory minima.

Regulatory capital

	Actual 2010	**Actual 2009**
Tier 1 capital	10,482,586	7,783,138
Tier 2 capital	23,591	57,006
Total capital	10,506,177	7,840,144
Risk weighted assets	6,350,133	8,800,104
Tier 1 capital ratio	165%	88%
Total capital ratio	165%	89%

Below defines what APRA considers as Capital :

Tier 1 Capital consists of ordinary shares, general reserves, retained earnings, non-cumulative irredeemable preference shares (approved by the Board and APRA) and other APRA approved Tier 1 Capital instruments.

Upper Tier 2 Capital consists of general provision for Doubtful Debts and other APRA approved Upper Tier 2 Capital instruments. Lower Tier 2 Capital (not to exceed 50% of net Tier 1 Capital) consists of APRA approved Term Subordinated Debt.

The Company does not have any lower Tier 2 Capital.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

15. COMMITMENTS AND CONTINGENCIES	**2010**	**2009**
	$	**$**
Contingent liabilities -secured		
(I) Irrecoverable standby letters of credit in favour of:		
- MasterCard International	2,925,285	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	245,025
	3,310,310	1,785,025

The Company has provided an irrevocable standby letter of credit of $3,065,285, secure through fixed charges over term deposits with the Commonwealth Bank of Australia and Westpac Banking Corporation, 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 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.

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 expiry of the lease agreement, subject to satisfactory vacation of the leased premises.

16. LEASES

(a) Operating lease commitments - Company as lessor

Prior to April 2010, Tyro operated a "rent to own" model whereby ownership of the terminal would transfer to the merchant once they had made 36 consecutive rental payments. However Tyro bears the risk of repairing or replacing the terminal over the 3 year period. The merchant would then continue to pay a service and maintenance fee after this period. There is no minimum rental period for merchants and they are able to terminate with Tyro at any time with no penalty or buy out fees.

From April 2010, the company has moved to a perpetual rental model whereby there will be no transfer of ownership of the asset and the merchant will pay rental for the duration that they are with Tyro.

Type of Terminals	**Cost**	**Depreciation Expense**	**Net Carrying Value**
Xenta	1,625,276	716,324	908,952
Xentissimo	629,541	528,995	100,546
	2,254,817	1,245,319	1,009,498

(b) Operating lease commitments - Company as lessee

Future minimum rentals payable under the non-cancellable operating leases as at 30 June 2010 are as follows:		
- Within one year	173,250	297,000
- After one year but not more than five years	-	173,250
	173,250	470,250

The operating lease commitments relates to the lease of the Company's registered office located at 125 York Street, Sydney NSW. 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 on expiry at which time all terms will be renegotiated. Lease payments are subject to discretionary annual increases of 4%.

17. SEGMENT REPORTING

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

18. AUDITOR'S REMUNERATION

	2010	**2009**
	$	**$**
Amounts received or due and receivable by Ernst & Young:		
- an audit of the financial report of the Company	209,500	135,960
- other services in relation to the Company	8,500	-
	218,000	135,960

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

19. RELATED PARTY DISCLOSURES

(a) Key Management Personnel

The total cash remuneration paid to the Directors and Executives of the Company amounted to $816,375 (2009: $847,784). Details of compensation paid to key management personnel including all monetary and non-monetary components are shown in the various tables in this note.

Details of Key Management Personnel

		Appointed	Resigned
Directors			
Kerry Roxburgh	Non-executive Chairman	18-Apr-08	
Brad Banducci	Non-executive	14-Dec-06	21-Sep-09
Michael Cannon-Brookes	Non-executive	10-Dec-09	
Rob Ferguson	Non-executive	14-Nov-05	
Thomas Girgensohn	Non-executive	09-Mar-07	
Paul Rickard	Non-executive	28-Aug-09	
Jost Stollmann	Chief Executive Officer	05-Apr-05	
Executives	**Title**		
Garry Duursma	VP Sales and Marketing	1-Jan-07	
Peter Haig	VP Engineering	3-Feb-03	
Justin Mitchell	Company Secretary	19-Mar-07	

	2010 $	**2009** $
Compensation of Key Management Personnel		
Short-term Benefits	683,073	644,122
Post Employment benefits (superannuation)	133,302	174,599
Other long-term benefits	-	-
Termination Benefits	-	29,063
Share-based Payments	565,324	613,056
Total	1,381,699	1,460,840

30 June 2010	**Short-term Benefits** Salary & fees ($)	**Termination Benefits** ($)	**Post Employment** Super-annuation ($)	**Share-based Payments** Options ($)	**Total** ($)
Directors					
Kerry Roxburgh	-	-	-	23,677	23,677
Brad Banducci	-	-	-	11,838	11,838
Michael Cannon-Brookes	-	-	-	15,785	15,785
Rob Ferguson	-	-	-	35,515	35,515
Thomas Girgensohn	-	-	-	23,677	23,677
Paul Rickard	-	-	-	23,677	23,677
Jost Stollmann	104,347	-	45,676	176,304	326,327
Executives					
Garry Duursma	242,429	-	29,891	79,840	352,160
Peter Haig	199,831	-	45,453	126,266	371,550
Justin Mitchell	136,466	-	12,282	48,745	197,493
	683,073	-	133,302	565,324	1,381,699

30 June 2009	**Short-term Benefits** Salary & fees ($)	**Termination Benefits** ($)	**Post Employment** Super-annuation ($)	**Share-based Payments** Options ($)	**Total** ($)
Directors					
Kerry Roxburgh	-	-	-	-	-
Brad Banducci	-	-	-	33,612	33,612
William Bartlett	-	-	-	24,198	24,198
Rob Ferguson	-	-	-	40,334	40,334
Thomas Girgensohn	-	-	-	20,167	20,167
Jost Stollmann	28,823	-	2,594	226,882	258,299
Executives					
Garry Duursma	217,777	-	45,760	50,418	313,955
Peter J Haig	78,779	-	97,557	151,856	328,192
John Hallis	199,654	29,063	17,969	50,418	297,104
Justin Mitchell	119,089	-	10,718	39,369	169,176
	673,185	29,063	174,599	637,254	1,485,038

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

19. RELATED PARTY DISCLOSURES (cont'd)

Shareholdings of Key Management Personnel and their Related Entities Transactions

30 June 2010	Outstanding at start of year	Shares Issued during the year	On exercise of options	Outstanding at end of year
Directors				
Kerry Roxburgh	440,182	250,000	-	690,182
Brad Banducci	2,392,545	2,392,545	-	4,785,090
Michael Cannon-Brookes	-	-	-	-
Rob Ferguson	11,569,524	8,280,602	-	19,850,126
Thomas Girgensohn	3,437,523	2,980,872	-	6,418,395
Paul Rickard	-	124,102	-	124,102
Jost Stollmann	29,704,061	11,881,624	-	41,585,685
Executives				
Garry Duursma	1,197,433	957,946	-	2,155,379
Peter Haig	3,739,310	1,666,667	-	5,405,977
Justin Mitchell	-	-	-	-
Total	52,480,578	28,534,358	-	81,014,936

30 June 2009	Outstanding at start of year	Shares Issued during the year	On exercise of options	Outstanding at end of year
Directors				
Kerry Roxburgh	133,334	306,848	-	440,182
Brad Banducci	1,505,849	886,696	-	2,392,545
Rob Ferguson	5,258,413	6,311,111	-	11,569,524
Thomas Girgensohn	3,170,856	266,667	-	3,437,523
Jost Stollmann	20,845,105	8,858,956	-	29,704,061
Executives				
Garry Duursma	681,818	515,615	-	1,197,433
Peter Haig	2,072,222	1,667,088	-	3,739,310
John Hallis	434,633	(181,819)	-	252,814
Justin Mitchell	-	-	-	-
Total	34,102,230	18,631,162	-	52,733,392

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

19. RELATED PARTY DISCLOSURES (cont'd)

Option Holdings of Key Management Personnel

30 June 2010	Outstanding at start of period 1-Jul-09	Granted as Remuneration	Options exercised/ expired during the year	Outstanding at end of period 2010	Exercisable at end of period 2010
Linear/Service vesting schedule					
Directors					
Kerry Roxburgh	-	666,667	-	666,667	666,667
Brad Banducci	1,197,146	333,333	223,233	1,307,246	1,307,246
Michael Cannon-Brookes	-	444,443	-	444,443	444,443
Rob Ferguson	1,328,631	1,000,000	-	2,328,631	2,328,631
Thomas Girgensohn	683,150	666,667	-	1,349,817	1,349,817
Paul Rickard	-	666,667	-	666,667	666,667
Jost Stollmann	2,506,364	3,154,100	886,667	4,773,797	4,773,797
Executives					
Executives					
Garry Duursma	-	545,046	-	545,046	545,046
Peter Haig	1,339,921	1,472,323	-	2,812,244	2,812,244
Justin Mitchell	213,043	382,884	-	595,927	595,927
	7,268,255	9,332,130	1,109,900	15,490,485	15,490,485
Fully vested at time of grant					
Directors					
Brad Banducci	109,091	-	109,091	-	-
Jost Stollmann	6,142,292	1,956,522	-	8,098,814	8,098,814
Executives					
Garry Duursma	1,413,439	1,956,522	-	3,369,961	3,369,961
Peter Haig	4,240,316	1,956,522	-	6,196,838	6,196,838
Justin Mitchell	677,994	978,261	-	1,656,255	1,656,255
	12,583,132	6,847,827	109,091	19,321,868	19,321,868
Total	**19,851,387**	**16,179,957**	**1,218,991**	**34,812,353**	**34,812,353**

30 June 2009	Outstanding at start of period 1-Jul-08	Granted as Remuneration	Options exercised during the year	Outstanding at end of period 30-Jun-09	Exercisable at end of period 30-Jun-09
Linear/Service vesting schedule					
Directors					
Brad Banducci	327,581	869,565	-	1,197,146	1,197,146
Rob Ferguson	285,153	1,043,478	-	1,328,631	1,328,631
Thomas Girgensohn	161,411	521,739	-	683,150	683,150
Jost Stollmann	1,456,364	1,050,000	-	2,506,364	2,506,364
Executives					
Executives					
Garry Duursma	909,091	-	909,091	-	-
Peter Haig	1,339,921	-	-	1,339,921	1,339,921
John Hallis	1,120,746	-	909,091	211,655	211,655
Justin Mitchell	213,043	-	-	213,043	213,043
	5,813,310	3,484,782	1,818,182	7,479,910	7,479,910
Fully vested at time of grant					
Directors					
Brad Banducci	109,091	-	-	109,091	109,091
Jost Stollmann	272,727	5,869,565	-	6,142,292	6,142,292
Executives					
Garry Duursma	109,091	1,304,348	-	1,413,439	1,413,439
Peter Haig	1,327,273	3,913,043	1,000,000	4,240,316	4,240,316
John Hallis	309,091	1,304,348	-	1,613,439	1,613,439
Justin Mitchell	25,820	652,174	-	677,994	677,994
	2,153,093	13,043,478	1,000,000	14,196,571	14,196,571
Total	**7,966,403**	**16,528,260**	**2,818,182**	**21,676,481**	**21,676,481**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

19. 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*
Type of Option	**Vesting 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.

(b) Transactions with related parties

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year.
These transactions were on commercial terms & conditions.

Related Party		**2010** **$**	**2009** **$**
Health Communications Network	Commissions Paid	-	56,505

There is no other amount receivable from or payable to related parties.

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 2010 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 2010.

On behalf of the Board

Kerry Roxburgh
Chairman

Jost Stollmann
Director and CEO

Sydney, 16 September 2010

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Independent auditor's report to the members of MoneySwitch Limited

Report on the Financial Report

We have audited the accompanying financial report of MoneySwitch Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. The Auditor's Independence Declaration would have been expressed in the same terms if it had been given to the directors at the date this auditor's report was signed.

Auditor's Opinion

In our opinion:

1. the financial report of MoneySwitch Limited is in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of the financial position of MoneySwitch Limited at 30 June 2010 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Ernst & Young

Andrew Gilder
Partner
16 September 2010

corporate information

directors

kerry roxburgh (Chairman)

michael cannon-brookes

rob ferguson

thomas girgensohn

paul rickard

jost stollmann

company secretary

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