Money3 Corporation Limited

Annual Report

MNY | 2014

Corporate Information
Money3 Corporation Limited is a company incorporated and domiciled in Australia.

Company Directors

Vaughan Webber B.Ec
Non Executive Chairman (from 19 December 2013)

Geoffrey Joseph Sam OAM, B.Comm MHA MA (Econ & Soc Stud) FAICD FACHSE
Non Executive Chairman (from 24 August 2010, retired 19 December 2013)

Bettina Evert BA LLB MAICD
Non Executive Director (from 28 February 2006)

Robert James Bryant
Executive Director (from 25 November 2005)

Kang Hong Tan ACA(UK) FIPA (Aust)
Non Executive Director (from 25 November 2005)

Christopher James Baldwin CPA
Non Executive Director (from 25 November 2005)

Scott Joseph Baldwin B.Eng (Hons) MBA
Executive Director (from 13 January 2009)

Managing Director
Robert James Bryant (from 4 April 2008)

Company Secretary
Craig Alan Harris (from 17 September 2010)

Head Office
Level 1, 40 Graduate Road
Bundoora Victoria 3083
Telephone 03 9093 8255 Facsimile 03 9093 8227

Registered Office
Level 1, 48 High Street
Northcote Victoria 3070

Share Registry
Link Market Services Limited
Level 1, 333 Collins Street
Melbourne Victoria 3000

Auditors
BDO East Coast Partnership
Level 14, 140 William Street
Melbourne Victoria 3000

Solicitors
Foster Nicholson Legal Pty Ltd
Level 6, 406 Collins Street
Melbourne Victoria 3000

Bankers
Westpac Banking Corporation
360 Collins Street
Melbourne Victoria 3000

Stock Exchange Listing
Money3 Corporation Limited shares are listed on the Australian Securities Exchange (ASX code **MNY**)

Website
www.money3.com.au

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Managing Director and Chairman's Report

On behalf of the board of directors of Money3 Corporation Ltd (Money3), it is our pleasure to present the Annual Report for end of financial year 2014 (FY14).

Over recent years Money3 has transformed itself into a well funded scalable diversified financial services company focusing on short to medium term loans for credit challenged customers. The company expansion and success is as a result of our team of dedicated staff and a strong expanding branch and broker network.

2014 Key Highlights

- Generated $11.0 million profit before tax an increase of 110% (2013: $5 million)
- Basic EPS increased by 32% to 8.13 cents per share (2013: 6.16 cents)
- Dividends increased by 12.5% to 4.5 cents (2013: 4.0 cents)
- Increased branch network by 30 sites to become 70 sites,
- Introduced new products successfully under new regulations,

2014 Other Achievements

- Earned Revenue increased by 90.9% to $43.5 million (2013: $22.7 million)
- Written Revenue increased by 86.6% to $63.6 million (2013: $34.1 million)
- Debtors increased by 126% to $72.7 million (2013: $32.2 million)
- Money3 raised $25.5 million via the issue of 27.6 million shares and still maintained strong EPS growth
- Successfully raised $30 million via a Bond Note issue

Unsecured Lending

During the financial year via the 70 branch network and centralised Web Centre, Money3 generated a significant increase in the volume of loans to 114,566 loans between $50 and $5,000.

Taking over the Cash Store operation on 24th September 2013 provided a challenging and fantastic opportunity. It is pleasing to report that the contribution to profit in the last quarter from all the Cash Store branches was $668,185 and the overall contribution in FY15 is expected to be significant.

Unsecured lending is the foundation of our business and all staff at Money3 are required to work in this part of the business to gain an understanding of why we exist. This establishes our culture of giving people ignored by traditional credit providers, a second and sometimes third chance. We are now seeing customers being referred from the branch network to our secured division and expect this referral of customers to not only continue but increase in the coming years.

FY14 Financial Achievements were:

- Written income increased by 86% to $32.6 million (2013:$17.5 million)
- Earned income increased by 75% to $28.8 million (2013: $16.5 million)
- Loan book increased by 112% to $22.4 million (2013: $10.6 million)
- Bad debts as a % of revenue for established branches was 13.91%
- Bad debts as a % of revenue for new branches was 21.88%

Secured Lending

This division is the fastest growing and the most scalable part of the business. The division is split into two sections:

- The Loan Centre, providing loans between $2,001 and $35,000 for a period up to 4 years, processed 2,589 loans and generated earned income of $11.8 million (2013: $7.5 million)
- Micro Motors, providing loans between $2,001 and $6,000 for a period of 12 months to 2 years, processed 2,193 loans and generated earned income of $2.7 million (2013: $0.5 million).

Loans for this division are sourced from external brokers, branch network, existing customers and the web. This division has seen very strong growth over the past two years and we expect this growth to continue in the foreseeable future.

FY14 Financial Achievements were:

- Written income increased by 87% to $30.8 million (2013: $16.5 million)
- Earned income increased by 134% to $14.5 million (2013:$ 6.2 million)
- Loan book increased by 133% to $50.2 million (2013: $21.5 million)
- Bad debts as a % of revenue for the year was 7.18%

Bad Debts

As Money3 lend to customers who have often had issues with credit in the past it is expected that slow and bad debt would be higher than traditional lenders. Money3 considers bad debt a cost of doing business therefore we account for bad debt as a percentage of revenue. Bad debt levels normally sits between 11% and 15% of revenue depending on the maturity and profile of the particular portfolio. With the expansion of the branch network in NSW, SA and QLD Money3 has seen an increase in bad debts. This increase in normal when new branches are being set up and tends to normalise after 12 months. Managing bad debts remains a priority of Money3 and the investment in an internal debt recovery team is beginning to deliver positive outcomes as bad debts are being recovered.

Culture of Money3

The common thread through the company is the desire to contribute to others. For the past 14 years we have developed ways to provide self-esteem to customers and staff who have often been neglected, rejected and at least financially excluded. In order to fulfil that desire we place a strong emphasis on personal development of staff.

Regularly we run programs for staff to examine and transform how they relate to circumstances. The outcome of this training is a culture of possibility encompassed in the statement "we will lead the transformation of consumer lending in Australia." The personal benefit to staff is a sense of fulfilment, to customers is opportunities that otherwise would not exist and to shareholders a sustainable, scalable, profitable business in which to invest well.

The benefit of this training was well demonstrated this year in the integration of staff from the Cash Store takeover. It allows new staff to understand our culture quickly and chose if it suits them.

Regulations

New regulations governing all consumer credit commenced 1st March 2013 with caps on fees and charges coming into place on 1st July 2013. Money3 were well prepared, had lobbied for many of the changes and are pleased with the new consumer credit environment.

The Consumer Credit Legislation Amendment (Enhancement) Act 2012 continues to be fine-tuned and will be reviewed by a three person government appointed panel in July 2015. With an exodus of many of the recalcitrant industry participants since the Bill was introduced and the adoption of similar rules to Australia by the UK regulators it is unlikely that any significant reform will come from the review.

Dividends

The Directors of the company recommend that a final dividend of 2.50 cents per share is to be paid on the 23 October 2014 to those shareholders on the register at the close of business on the 8 October 2014. The final dividend payable of 2.5 cents per share brings the full year dividend to 4.5 cents per share fully franked up from 4.0 cents in FY13.

Funding

Unlike in previous years were the funding of growth was solely from equity raisings, growth for the next 12 months is being funded by debt. This debt is a combination of the recent Bond issue that raised $30M and the $20m securitised banking facility that has been approved.

Outlook

Money3 is well placed to capitalise on the growth prospects in the consumer credit industry. With debt funding in place, the unmet demand particularly in secured lending will see strong organic growth. With the current momentum and run rate, FY2015 will see records of both revenue and profit exceeded again.

Conclusion

The pleasing results of FY2014 would not have been achieved without the commitment of directors, management and staff. We thank them for their efforts and would also like to thank you, our valued shareholders for your ongoing support. We are set up for a sustainable long term future and are committed to giving you value and together we will lead the transformation of the consumer lending industry in Australia.

Yours faithfully

Vaughan Webber
Non Executive Chairman
Melbourne
21 August 2014

Robert Bryant
Managing Director
Melbourne
21 August 2014

Corporate Governance Statement

The Board of Directors (Board) of Money3 Corporation Limited (Money3) is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. The Company is committed to implementing the highest standards of corporate governance.

The Board supports the core principles and best practice recommendations of the ASX Corporate Governance Council. However in view of the Company's size, full adoption of the recommendations is currently not practical. The Board will continue to work towards full adoption of the recommendations in line with growth and development of the Company. The corporate governance policies of the Company and departures from the recommendations are discussed below.

In setting its standards the Company has considered the 2nd edition of the ASX Corporate Governance Principles and Recommendations (Revised Recommendations). Whilst the Company continues to develop and improve its corporate governance processes and standards, the Board is pleased to advise that Money3's practices are largely consistent with the ASX guidelines.

The Corporate Governance Statement that follows contains certain specific information and discloses the extent to which the Company has followed the guidelines during the 2014 year. Money3's Corporate Governance Statement is structured with reference to the ASX Corporate Governance Principles and Recommendations.

Principle 1: Lay solid foundations for management and oversight

Money3 has a Board Charter which establishes the functions reserved to the Board and to senior management. The Board is responsible for setting the strategic direction of the Company and for overseeing and monitoring its businesses and affairs. Directors are accountable to the shareholders for the Company's performance. The Board's overriding objective is to increase shareholder value within an appropriate framework that protects the rights and enhances the interests of all shareholders, whilst ensuring that the Company is properly managed.

The functions of the Board include:

- Setting overall financial goals for the Company;
- Approving strategies, objectives and plans for the Company's businesses to achieve these goals;
- Ensuring that business risks are identified and approving systems and controls to manage those risks and monitor compliance;
- Approving the Company's major HR policies and overseeing the development strategies for senior and high performing executives;
- Approving financial plans and annual budget;
- Monitoring financial results on an on-going basis;
- Monitoring executive management and business performance in the implementation and achievement of strategic and business objectives;
- Approving key management recommendations (such as major capital expenditure, acquisitions, divestments, restructuring and funding);
- Appointing and removing the Managing Director (MD) and ratifying the appointment and removal of executives reporting directly to the MD (senior executives);
- Reporting to shareholders on the Company's strategic direction and performance including constructive engagement in the development, execution and modification of the Company's strategies;
- Overseeing the management of occupational health and safety and environmental performance;
- Determining that satisfactory arrangements are in place for auditing the Company's financial affairs; and
- Meeting statutory and regulatory requirements and overseeing the way in which business risks and the assets of the Company are managed.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board committee, a Director, employee or other person. However, the Board acknowledges that it retains ultimate responsibility for the exercise of such powers under the *Corporations Act 2001* (Cth).

The Board has guidelines for its Directors to address potential conflicts of interest, including a requirement that they declare their interests as required by the Corporations Act and the ASX Listing Rules.

Principle 2: Structure the Board to add value

The Board of Directors is structured to add long term value to Money3. The Board consists of two executive and four non-executive directors. The non-executive directors, being Ms Bettina Evert, Mr Kang Tan, Mr Vaughan Webber, and Mr Christopher Baldwin, are regarded for corporate governance purposes as independent, notwithstanding the existence of certain relationships identified in the ASX's Corporate Governance Principles and Recommendations. [Box 2.1 of Principle 2]

Mr Vaughan Webber has extensive business experience initially in accounting and more than 13 years in corporate finance in stockbroking firms focussing on creating, funding and executing strategies for mid to small ASX listed companies

Ms Bettina Evert is a partner of Holman Webb which has not provided legal services to the Company and subsidiaries. During the financial year ending 30 June 2014, the Company's legal affairs were handled by Foster Nicholson Legal Pty Ltd.

Mr Kang Tan held the position of Chief Financial Officer until the 17 September 2010. Mr Tan continues to provide consulting advice to the company in the area of accounting and IT.

Mr Christopher Baldwin now consults to Brown Baldwin, in previous years he was a partner. Mr Baldwin holds a significant number of securities in the Company but is not a substantial shareholder as defined in section 9 of the Corporations Act. Mr Baldwin is the uncle of Mr Scott Baldwin who is an executive director of the Company.

The Directors also believe they are open and transparent in disclosing their plans and financial results to shareholders. They believe the AGM provides a good opportunity for shareholders to evaluate their performance. Directors are subject to re-election every three years. The Board has a policy of operating a tight structure, but appoints external parties experienced in specific sectors from time to time to provide expert advice.

Principle 3: Promote ethical and responsible decision-making

As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established certain Codes of Conduct to guide all employees, particularly Directors, the Chief Financial Officer (CFO) and other Senior Executives in respect of ethical behaviour expected by the Company. These Codes of Conduct as outlined below cover conflicts of interest, confidentiality, fair dealing, protection of assets, compliance with laws and regulations; whistle blowing, security trading and commitments to stakeholders.

The Board is committed to ensuring that the group’s affairs are conducted in a judicious and ethical manner. Accordingly, the Board fully supports the spirit and letter of the law and the listing rules concerning adequate and reasonable disclosure of information relevant to the Company and its securities in line with contemporary continuous disclosure requirements.

Money3 is committed to providing an inclusive workplace and recognises the value individuals with diverse skills, values, backgrounds and experiences will bring to the company. At the core of the company's diversity policy is a commitment to equality and respect. Diversity in recognised and valuing the unique contribution people can make because of their individual background and different skills, experience and perspectives. People differ not just on the basis of race and gender, but also dimensions such as lifestyle, education, physical ability, age and family responsibility.

The total number of staff as at 30 June 2014 was 240 (2013: 173) of which 195 (2013: 135) are female, the Board comprises 6 members of which 1 (2013: 1) is female, and management has 15 (2013: 14) of which 4 (2013: 6) are female.

Money3 has a formal Share Trading Policy, a Trading Charter in dealing in the company’s securities in addition to complying with legislative and regulatory obligations, for example in regard to provision of credit and confidential information.

The Board is also mindful that trading by Directors and other employees of the Company at certain times may not be in the best interests of the above commitment. Accordingly, the Board has established and promulgated to all Directors and employees a Share Trading Policy to guide those officers in their responsibilities in respect of trading in the Company's and other companies' securities.

The Company's Code of Conduct consists of the following principles: -

1. The Company will conduct its business operations with full regard to and in compliance with all legal obligations.
2. The Company's employees, contractors and agents:
   a. will strive to the utmost of their abilities to deliver quality services to meet our customers' needs and treat our customers with respect, courtesy and a caring attitude toward their business requirements;
   b. will present themselves in a fit and tidy condition for work and be fully equipped to perform their work safely and competently;
   c. will, when working for customers, adhere to all workplace and occupational health and safety requirements, work instructions and directives and will refrain from any irresponsible, negligent or unsafe actions or work;
   d. are expected to work in a supportive and cooperative manner, and the Company will not condone any form of harassment of fellow workers. All cases of harassment will be promptly resolved through counselling and conciliation processes; and
   e. will not knowingly reveal confidential information, trade secrets or information concerning intellectual property or practices, which could be injurious to our customers or our own business interests.
3. The Company encourages the reporting of unlawful/unethical behaviour by its directors, employees, contractors and agents and will actively promote ethical behaviour and protection for those who report violations in good faith.
4. The Company encourages individuals to join appropriate organisations and associations that can effectively represent their work interests.
5. The Company will communicate the code of conduct to all its employees, contractors and agents.

Principle 4: Safeguard integrity in financial reporting

The Board has in place an Audit Committee which comprises a non-executive Director (Mr Vaughan Webber) as Chairman and Ms Bettina Evert, Christopher Baldwin and Kang Tan as the other non-executive Directors.

The primary role of the Audit Committee is to monitor and review the effectiveness of the Company's control environment in the areas of operational risk, legal/regulatory compliance and financial reporting. It will advise and assist the Board to discharge its responsibility to exercise due care, diligence and skill in relation to:

1. Reporting of financial information to users of financial reports, in particular the quality and reliability of such information;
2. Assessing the consistency of disclosures in the financial statements with other disclosures made by the Company to the financial markets, governmental and other public bodies;
3. Review and application of accounting policies;
4. Financial management;
5. Review of internal and external audit reports to ensure that where weaknesses in controls or procedures have been identified, appropriate and prompt remedial action is taken by management;
6. Evaluation of the Company's compliance and risk management structure and procedures, internal controls and ethical standards;
7. Review of business policies and practices;
8. Conduct of any investigation relating to financial matters, records or accounts, and to report those matters to the Board;
9. Protection of the Company's assets; and
10. Compliance with applicable laws, regulations, standards and best practice guidelines.

Declaration of the MD and CFO

The MD and CFO provide the Board with written confirmation that:

- The financial reports present a true and fair view, in all material respects, of the Company’s financial condition and operational results and are in accordance with relevant accounting standards;
- The statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- The Company’s risk management and internal compliance and control system is operating effectively in all material respects in relation to financial reporting risks.

The Board has received the above declaration from the MD and CFO for this year.

Principle 5: Make timely and balanced disclosure

The Board is aware of its continuous disclosure obligations in respect of material information, and embraces the principle of providing access to that information to the widest audience.

To ensure that these principles are appropriately actioned, the Board has nominated the Company Secretary as having responsibility for:

- Ensuring that the Company complies with continuous disclosure requirements;
- Overseeing and co-ordinating disclosure of information to ASX, analysts, brokers, shareholders, the media and the public;
- Educating directors and staff on the Company's disclosure policies and procedures and raising awareness of the principles underlying continuous disclosure;
- Ensuring that the Chairman and the MD are aware of all sensitive information that may be required by the ASX Listing Rules and the law to be publicly released through the ASX before disclosing it to any person, including analysts and others outside the Company;
- Ensuring that all information released through the ASX is promptly made available to its bankers and other parties to whom it has a similar reporting responsibility;
- The further dissemination of information, after it has been released through the ASX, to investors and other interested parties;
- Posting such information on the Company's website immediately after the ASX confirms that it has received such announcements; and
- Reviewing all briefings and discussions with media representatives, analysts and major shareholders, to check whether any price sensitive information has been inadvertently disclosed. If so, to immediately announce the information through the ASX.

To safeguard against inadvertent disclosure of price sensitive information, the Board has agreed to keep to a minimum the number of directors and staff authorised to speak on the Company's behalf. In order of precedence, the following combinations of officers have authority to speak on behalf of the Company without the prior approval of the Board:

- The Chairman and/or the Managing Director, separately, then
- The Chairman and a non-executive director, jointly, then
- Any two non-executive directors and the Managing Director, jointly (by majority), and then
- In extreme circumstances, any 2 directors, jointly.

These officers are also authorised to clarify information that the Company has released publicly through the ASX, but must avoid commenting on other price sensitive matters. All ASX announcements of a non procedural nature are approved by the Chairman before release.

The Company has determined that the Company Secretary must be made aware of any information disclosures in advance, including information to be presented at private briefings. This will minimise the risk of breaching the continuous disclosure requirements.

In accordance with the ASX Listing Rules, the Company immediately notifies the ASX of information:

1. Concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
2. That would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Upon confirmation of receipt from the ASX, the Company posts all information disclosed in accordance with this policy on the Company's website in an area accessible by the public.

Principle 6: Respect the rights of shareholders

Money3 recognises the importance of effective communications with shareholders and other parties. Shareholders also have other formal and informal rights provided by the Company’s constitution, regulatory bodies and proper public company behaviour. These include their entitlement to financial statements, attendance and voting at shareholder meetings. The auditor is invited to attend the AGM and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report. Shareholder meetings are conducted in an open forum with wide discussion encouraged by the Chairman.

Principle 7: Recognise and manage risk

The identification and effective management of risk, including calculated risk-taking is viewed as an essential part of the Company's approach to creating long-term shareholder value.

Money3 has an established lending policy and policies for the recognition, oversight and management of material business risks. These policies are reviewed on a regular basis for effectiveness and changing economic environment. Given the actual and potential volatility of the present global economic conditions, Money3 regards risk management as a very important issue. In this regard the Board has strengthened the Debt Recovery Department, placed greater management oversight on problem loans and in some cases engaged external professional debt collectors.

Management, through the MD, is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control system. Management reports to the Audit and Risk Committee on the Company's key risks and the extent to which it believes these risks are being monitored at each Committee meeting. The Audit and Risk Committee review and monitor management's risk management and internal compliance and control systems.

On a continuous basis the Board has charged the Audit and Risk Committee with responsibilities that:

- Clearly describe the respective roles of the Board, the Committee, Management and the internal audit function; and
- Prescribe the necessary elements of an effective risk management system, namely, oversight, risk profile, risk management, compliance and control, and assessment of system effectiveness.

The MD and CFO in providing written confirmation to the Board in accordance with the requirements of Section 295A (2) of the Corporations Act 2001 must be satisfied that their certification is founded on a sound system of risk management and internal compliance and control, which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects.

Principle 8: Remunerate fairly and responsibly

The Board is responsible for determining and reviewing compensation arrangements for the Directors themselves, the Non-Executive Chairman and the Senior Management team. Money3 has a Remuneration Committee which comprises a non-executive Director (Mr Kang Tan) as Chairman and Mr Christopher Baldwin, Mr Vaughan Webber and Ms Bettina Evert as the other non-executive Directors.

The primary purpose of the Remuneration Committee is to support and report to the Board in fulfilling their responsibilities to shareholders in relation to:

- Executive remuneration policy;
- The remuneration of executive directors;
- The remuneration of persons reporting directly to the managing director, and as appropriate, other executive directors;
- The Company's recruitment, retention and termination policies and procedures;
- Superannuation arrangements; and
- All equity based remuneration.

The performance of the Board, Committees, individual Directors and key executives is reviewed regularly against both measurable and qualitative indicators.

Performance appraisals are undertaken annually. The performance criteria against which the Board, key executives and committees will be assessed is aligned with key corporate governance needs as well as financial and non-financial objectives.

In relation to the payment of bonuses, options and other incentive payments to executives and other staff, discretion is exercised by the Board having regard to individual, team and Company performance relative to specific targets during the period.

The expected outcomes of the remuneration structure are to retain and motivate Directors and key executives, attract quality management and provide performance incentives which align performance and Company success in a manner that is market competitive, consistent with best practice and in the interests of shareholders. Details of the nature and amount of each element of remuneration, including both monetary and non-monetary components, for each Director and the (Non Director) Officers paid during the year can be found in the Directors' Report.

Directors' Report

The directors present the annual financial report on the consolidated entity, consisting of Money3 Corporation Limited and the entities it controlled at the end of, or during the year ended 30 June 2014. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors' details

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

Vaughan Webber B.Ec

- Non Executive Chairman (Appointed 19 December 2013)

Vaughan has extensive business experience initially in accounting and more than 13 years in corporate finance in stockbroking firms focussing on creating, funding and executing strategies for mid to small ASX listed companies. Vaughan is currently a non-executive director of HUB24 Limited (ASX:HUB) and a non-executive director of Anchor Resources Limited (ASX:AHR) and previously Chairman of Wentworth Holdings Limited (ASX:TOP)

Bettina Evert BA LLB MAICD

- Non-Executive Director (Appointed on 28 February 2006)
- Member of the Audit and Remuneration Committees

Bettina is a partner of Holman Webb, a commercial and insurance law practice established over 60 years ago. She is highly experienced in commercial law and litigation. She was, prior to commencing at Holman Webb, a senior solicitor on the work-out team after the collapse of the Tricontinental Bank in 1991 and worked as a senior solicitor at Telstra Corporation advising senior management in relation to corporate governance. Prior to joining Holman Webb, Bettina was a director of Deloitte Touche Thomatsu. Bettina is currently Deputy Chair of the Law Institute of Victoria, Executive Committee, Litigation Section, the Chair of the Courts Practice Committee of the Law Institute of Victoria and a lay member of the CPA Australia Disciplinary Committee which hears professional disciplinary matters relating to members of CPA Australia.

Robert James Bryant

- Managing Director (Appointed on 4 April 2008)
- Executive Director (Appointed on 25 November 2005)

Robert has been a company director since July 1995 and is the major shareholder in Money3. Before entering the financial services industry in May 2000 he was predominantly involved in agricultural related industries for over 25 years. The shift to financial services in 2000 saw Robert commence a small cash loans franchise in Victoria.

Robert's responsibilities include management and governance, regulation and compliance, expansion and public and government relations.

Kang Hong Tan ACA (UK) FIPA (Aust)

- Non-Executive Director (Appointed on 25 November 2005)
- Member of the Audit and Chairman of the Remuneration Committees (Appointed 22 June 2011)

Kang has been a member of the Institute of Chartered Accountants in England and Wales since 1983, and a fellow of the Institute of Professional Accountants in Australia since 1998. Kang spent 10 years as an Accountant with La Trobe University Union. Before coming to Australia, Kang was the Group Financial Controller of Tanming Corporation Berhad for 4 years.

Christopher James Baldwin CPA

- Non-Executive Director (Appointed on 25 November 2005)
- Member of the Audit and Remuneration Committees

Christopher commenced work in 1960 for a public accountant and had continued his accounting professional work in taxation, business and consultancy in Shepparton as a principal that headed the public accounting practice of Brown Baldwin in Shepparton and Melbourne. Christopher now consults to Brown Baldwin as he has extensive experience in business matters, including taxation and accounting.

Scott Joseph Baldwin B.Eng(Hons) MBA MAICD

- Chief Operations Officer (Appointed on 25 April 2008)
- Executive Director (Appointed on 13 January 2009)

Scott has a Masters of Business Administration, Graduate Diploma of Management and a Bachelor of Engineering (Hons). Scott has previously held a number of management positions with several public listed companies. His previous position was with General Electric as a Marketing Manager covering the Asia region.

Geoffrey Joseph Sam OAM, B.Comm MHA MA(Econ & Soc Stud) FAICD FACHSE

- Non Executive Chairman – Retired (24 August 2010 to 19 December 2013)
- Member of the Audit Committee (Appointed on 22 June 2011)

Geoff has over 30 years experience in the healthcare industry, and has held multiple hospital MD positions in the public and private sectors. Geoff is currently Executive Chairman of Care Australia Pty Ltd, a private hospital operator.

Company Secretary's details

Craig Alan Harris CPA

- CFO and Company Secretary (appointed 17 September 2010)

Craig is a Certified Practicing Accountant with over 20 years' experience in both public and private companies. Craig previous role was as Company Secretary for Wentworth Holdings Ltd, a listed property management company.

Principal activities

The principal activities of the consolidated entity during the year were providing financial services specialising in the delivery of small cash loans, secured and unsecured personal loans, cheque cashing, equipment and motor vehicle rental, and international money transfer. Although the company has discontinued the offering of international money transfer, there has been no significant change in nature of the principal activities during the financial year.

Dividends

The Company paid a fully franked final dividend for the year ended 30 June 2013 of 2.25 cents per share on 28 October 2013.

The Company paid a fully franked interim dividend for the year ended 30 June 2014 of 2 cents per share on 24 April 2014.

On 20 August 2014, the directors declared a fully franked final dividend of 2.5 cents per share to the holders of fully paid ordinary shares in respect of the financial year ended 30 June 2014, to be paid to shareholders on 23 October 2014. The dividend will be paid to shareholders on the Register of Members on 8 October 2014. This dividend has not been included as a liability in these financial statements.

Results of operations

The consolidated net profit after tax for the year was $7,831,643 (2013: $3,647,867).

Review of operations

Earned revenue continued to increase with an increase of 91% in the financial year ended June 2014. Money3 has continued to expand and consolidate its business over the 12 months ended 30 June 2014. The Company has an additional 31 new stores from the previous year, many as result of taking over sites from competitors.

The company also has declared a 2.5 cent fully franked dividend for the second half of the year. For more details of results please refer to the MD and Chairman's report.

Change in the state of affairs

There was no significant change in the state of affairs of Money3.

Significant matters subsequent to the reporting date

On the 21 July 2014, the company issued 15,000,000 options with an exercise price of $1.30 to bondholders. For each $100 bond the bondholder is entitled to 50 options, which can be exercised at any time until the expiry date of 16 May 2018.

On 20 August 2014, the directors declared a fully franked final dividend of 2.5 cents per share to the holders of fully paid ordinary shares in respect of the financial year ended 30 June 2014, to be paid to shareholders on 23 October 2014. The dividend will be paid to shareholders on the Register of Members on 8 October 2014.

No other matter or circumstances has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of Money3, the results or the state of affairs of the Company.

Likely developments and expected results

Money3 is well placed to capitalise on the growth prospects in the consumer credit industry. With debt funding in place, the unmet demand particularly in secured lending will see strong organic growth. With the current momentum and run rate, FY2015 will see records of both revenue and profit exceeded again.

In the next 12 months Money3 expects deal flow for its secured division to grow as its products are introduced to more external finance brokers and our branch network. Money3 also expects to see a stronger contribution from the unsecured division as the full annualised impact of the recent branch network expansion through the former Cash Sore network.

Environmental regulation and performance

The Company's operations are not regulated by any environmental regulation under a law of the Commonwealth or of a state or territory.

Share options

As at the date of this report, there were 22,850,000 unissued ordinary shares of Money3 Corporation Limited in respect of which there are options outstanding (2013: were 3,550,000). Subsequent to the year end 15,000,000 options were issued to bondholders.

a) Share options granted to directors and executives

4,500,000 share options were granted to directors and executives during the current financial year.

b) Share options on issue

Details of unissued ordinary shares in Money3 Corporation Limited under option at the date of this report are:

Issuing entity	Type	No. of shares under option	Exercise Price $	Expiry Date
Money3 Corporation Ltd	Directors Options	200,000	0.85	31 December 2014
Money3 Corporation Ltd	Directors Options	200,000	1.00	31 December 2015
Money3 Corporation Ltd	Employee Options	1,950,000	0.50	30 September 2017
Money3 Corporation Ltd	Director Options	1,000,000	0.50	16 November 2017
Money3 Corporation Ltd	Employee Options	500,000	1.00	21 October 2018
Money3 Corporation Ltd	Directors Options	3,000,000	1.50	30 November 2018
Money3 Corporation Ltd	Employee Options	1,000,000	1.50	30 November 2018
Money3 Corporation Ltd	Bond Options	15,000,000	1.30	16 May 2018

Each share option converts into one ordinary share of Money3 Corporation Limited on exercise. The options carry neither rights to dividends nor voting rights.

Shares issued as a result of the exercise of options

During the year, Mr Scott Baldwin exercised 200,000 options converting to 200,000 ordinary shares at 70 cents.

Indemnification and insurance of Directors and Officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Directors' meeting

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, there were eight Board meetings, two Audit Committees and one Remuneration Committee meeting held. No meeting of the Nominations Committee was held during the year.

Director	Board meeting		Audit Committee		Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended
Geoffrey Sam	8	4	2	1	-	-
Vaughan Webber	8	4	2	1	1	1
Bettina Evert	8	7	2	2	1	1
Robert Bryant	8	8	-	-	-	-
Kang Hong Tan	8	8	2	2	1	1
Christopher Baldwin	8	7	2	2	1	-
Scott Baldwin	8	8	-	-	-	-

Directors' shareholding

The following table sets out each director's relevant interest in shares or options in shares of the Company or a related body corporate as at the date of this report.

Director	Ordinary Shares	Partly paid ordinary shares	Type of Options	Options over Ordinary Shares
Vaughan Webber	30,000	-	-	-
Bettina Evert	248,482	-	-	-
Robert Bryant	9,756,849	-	Director/Employee	2,000,000
Kang Hong Tan	5,127,687	-	-	-
Christopher Baldwin	1,115,928	-	-	-
Scott Baldwin	2,000,108	-	Director/Employee	2,400,000

Remuneration report (audited)

This report outlines the remuneration arrangements in place for directors and executives of Money3 Corporation Limited.

Remuneration philosophy

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

To that end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Focus on creating sustained shareholder value;
- Significant portion of executive remuneration at risk, dependent upon meeting predetermined performance benchmarks; and
- Differentiation of individual rewards commensurate with contribution to overall results and according to individual accountability, performance and potential.

The Remuneration Committee is responsible for determining and reviewing compensation arrangements for the directors, Managing Director (MD) and the senior management team. The committee assesses the appropriateness of the nature and amount of remuneration of directors and senior managers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

Remuneration structure

In line with best practice corporate governance, the structure of non-executive director, executive director and senior manager remuneration is separate and distinct.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the non-executive directors as agreed. The current approved aggregate remuneration is $300,000.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The board considers the fees paid to non-executive directors of comparable companies when undertaking the annual review process. No external consultants have been used.

Each director receives a fee for being a director of the Company.

Senior management and executive director remuneration

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- Reward executives for company and individual performance against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those of shareholders;
- Link reward with the strategic goals and performance of the company; and
- Ensure total remuneration is competitive by market standards.

The executive remuneration program is designed to support the Company's reward philosophies and to underpin the Company's growth strategy. The program comprises the following components:

- Fixed remuneration component; and
- Variable remuneration component including short term incentive (STI) and long term incentive (LTI)

Fixed remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

Variable remuneration – short term incentive (STI)

The objective of the STI program is to link the achievement of the Company’s operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the Company is reasonable. On a quarterly basis, after consideration of performance against KPIs, the Board approves an overall performance rating for the Company. The individual performance of each executive is also rated and taken into account when determining the amount, if any, of the short term incentive pool allocated to each executive. The aggregate of annual STI payments available for executives across the Company are usually delivered in the form of a cash bonus. Employees and executives participate in performance incentive program under which a budgeted Earnings Before Interest and Tax (EBIT) was established by the directors where the employees and executives are entitled to a share of the profit which exceeds this budget figure. Under the program cash bonuses of $800,000 (2013: 200,000) have been earned and accrued at 30 June 2014 based on the 30 June 2014 result and will be paid after completion of the audit process.

The executives also participate in a performance incentive program under which if the company achieves an EPS growth of 15% the executives will be paid a bonus of 5% of their base salary or if the company achieves a EPS growth of 20% the executives will be paid a bonus of 10% of their base salary.

Variable remuneration - long term incentive (LTI)

The objective of the LTI plan is to reward senior managers in a manner which aligns this element of remuneration with the creation of shareholder wealth. As such, LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Company's performance against relevant long term performance hurdles. LTI grants to executives are delivered in the form of options or shares. In the 2014 financial year, 3,000,000 options were granted (2013: 2,000,000) to directors and executives. No issue of shares was made in 2014 (2013: nil) under the LTI plan.

Contract of employment

All executives of the Company are employed under a letter of appointment. Various notice periods of up to 6 months are required to terminate the appointment as mutually agreed with no additional termination payments stipulated. The letters of appointment do not contain specified option incentive entitlements and are rolling with no fixed term.

Relationship between remuneration policy and company performance

Remuneration paid to key management personnel (KMP) has been set at a level to attract and retain appropriately skilled persons. All executive Directors and KMP receive a base salary, superannuation and fringe benefits. Performance based bonuses of nil (2013: nil) were paid by the Group to KMP during the year. During the year 3,000,000 options were issued (2013: 2,000,000) to KMP.

In considering the consolidated entity's performance and benefits for shareholder wealth, the directors have regard to the indices in respect of the current financial year and the previous four financial years. The following table shows revenue, profits, dividends, share price, EPS and KMP remuneration at the end of each year.

	30 June 2010	30 June 2011	30 June 2012	30 June 2013	30 June 2014
Revenue	11,000,772	13,513,713	15,494,893	22,787,126	43,507,708
Net Profit after tax	2,150,223	2,402,270	2,525,840	3,647,867	7,831,643
Closing share price	$0.50	$0.42	$0.38	$0.79	1.08
Price increase/(decrease) $	$0.11	($0.08)	($0.04)	$0.41	$0.29
Price increase/(decrease) %	28%	(16%)	(10%)	108%	37%
Earnings per share	6.85	7.11	5.87	6.16	8.13
Dividend paid per share	3.4 cents	4.25 cents	4.00 cents	4.00 cents	4.50 cents
Total key management personnel remuneration	$571,350	$831,782	$815,394	$784,083	$1,100,478

The above performance indicators of the consolidated entity since listing on 19 October 2006 are considered when assess the level of KMP's compensation.

Details of remuneration

The KMP of Money3 Corporation Limited includes the directors and the CFO of the entity as follows:

Mr Geoffrey Sam OAM	Non-Executive Chairman retired (24 August 2010 to 19 December 2013)
Mr Vaughan Webber	Non-Executive Chairman (from 19 December 2013)
Mr Robert Bryant	Executive Director (from 25 November 2005), MD (from 1 July 2006 to 6 August 2007 and re-appointed from 4 April 2008)
Ms Bettina Evert	Non-Executive Director (from 28 February 2006)
Mr Christopher Baldwin	Non-Executive Director (from 25 November 2005)
Mr Kang Hong Tan	Non-Executive Director (from 25 November 2005)
Mr Scott Joseph Baldwin	Executive Director and Chief Operations Officer (from 13 January 2009)
Mr Craig Harris	Company Secretary (from 17 September 2010) and CFO (from 31 May 2010)

There are no KMP other than those disclosed above.

The compensation of each member of the KMP of the consolidated entity is set out below:

	Short term employee benefits		Post-employment benefits	Other long term benefits	Share based payments (options)	Total
	Salary & fees $	Bonus $	Superannuation $	$	$	$
2014						
G. Sam	29,615	-	2,739	-	-	32,354
V. Webber	26,307	-	2,433	-	-	28,740
B. Evert	39,999	-	3,700	-	-	43,699
R. Bryant	210,000	50,000^	18,500	-	28,778	307,278
Kang H. Tan	49,149	-	3,700	-	-	52,849
C. Baldwin	39,999	-	3,700	-	-	43,699
S. Baldwin	185,000	35,000^	15,725	-	32,333	268,058
C Harris	200,000	50,000^	18,500	-	55,301	323,801
Total	780,069	135,000^	68,997	-	116,412	1,100,478
2013		-		-		
G. Sam	52,884	-	4,760	-	-	57,644
B. Evert	38,461	-	3,461	-	-	41,922
R. Bryant	140,700	-	11,250	-	-	151,950
Kang H. Tan	61,538	-	4,188	-	-	65,726
C. Baldwin	38,461	-	3,461	-	-	41,922
S. Baldwin	166,463	9,178*	25,050	-	20,277	220,968
C Harris	164,920	8,521*	14,843	-	15,667	203,951
Total	663,427	17,699	67,013	-	35,944	784,083

Except for retirement benefits provided by the superannuation guarantee legislation, there are no retirement benefits for the Directors. The proportion of R. Bryant's remuneration that is linked to performance is 16.27% (2013: nil). The proportion of S.Baldwin's remuneration that is linked to performance is 13.06% (2013: 4.14%). The proportion of C.Harris's remuneration that is linked to performance is 15.44% (2013: 4.16%). No other KMP remuneration linked to performance (2013: nil).

^ Bonus earned for the 2014 financial year, not yet paid.

* Bonus earned for the 2013 financial year, has been restated to the actual amounts paid. Mr S. Baldwin had an estimated bonus of $9,148 in the 2013 Directors' Report. Mr C. Harris had an estimated bonus of $8,493 in the 2013 Directors' Report.

Loans with key management personnel

There is currently no loans with key management personnel. During the year the company had an unsecured loan with Robert Bryant of $175,000 which has been repaid.

The financial statements include the interest on loans with key management personnel:

	Consolidated 2014 $	Consolidated 2013 $
Interest paid to Kang Tan	-	7,934
Interest paid to Geoff Sam	-	29,167
Interest paid to Robert Bryant	518	11,475
	518	48,576

Service agreements

Name:	Robert Bryant
Title:	Managing Director
Agreement commenced:	4 April 2008
Term of agreement	-
Details:	Base salary for the year ending 30 June 2015 of $ 220,000 plus superannuation, to be reviewed annually by the Remuneration Committee. 3 month termination notice by either party or 12 months in the event of acquisition. Bonus as per Remuneration Committee approval and KPI achievement, non-solicitation and non-compete clauses.

Name:	Scott Baldwin
Title:	Chief Operations Office
Agreement commenced:	13 January 2009
Term of agreement	-
Details:	Base salary for the year ending 30 June 2015 of $ 200,000 plus superannuation, to be reviewed annually by the Remuneration Committee. 3 month termination notice by either party or 12 months in the event of acquisition. Bonus as per Remuneration Committee approval and KPI achievement, non-solicitation and non-compete clauses.

Name:	Craig Harris
Title:	Company Secretary and Chief Financial Officer
Agreement commenced:	31 May 2010
Term of agreement	-
Details:	Base salary for the year ending 30 June 2015 of $ 220,000 plus superannuation, to be reviewed annually by the Remuneration Committee. 3 month termination notice by either party or 12 months in the event of acquisition. Bonus as per Remuneration Committee approval and KPI achievement, non-solicitation and non-compete clauses.

Value of options

The value of options is determined at grant date using the Binomial Option Pricing Model taking into account factors including exercise price, expected volatility and option life and is included in remuneration on a proportion basis from grant date to vesting date.

Value of options issued to directors and key management personnel

The following table discloses the value of options granted, exercised or lapsed during the year:

Directors	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Expiry Date	Exercise Date	Percentage of total remuneration for the year that consists of options %	Proportion of option remuneration	
							Performance related %	Non-Performance related
2014								
R Bryant	148,000	Nil	Nil	30/11/2018	30/11/2016	48	Nil	100
S Baldwin	-	9,100	Nil	31/12/2013	22/10/2013	3	Nil	100
S Baldwin	74,000	Nil	Nil	30/11/2018	30/11/2016	28	Nil	100
C Harris	109,500	Nil	Nil	21/10/2018	21/10/2016	34	Nil	100
C Harris	74,000	Nil	Nil	30/11/2018	30/11/2016	23	Nil	100
2013								
S Baldwin	47,000	Nil	9,780	30/11/2017	30/11/2015	9	Nil	100
C Harris	47,000	Nil	Nil	30/9/2017	30/09/2015	8	Nil	100

Options granted during the 2014 financial year were not related to performance of the company as they were granted as an incentive to drive the continuing performance of the Company. The total fair value of these options on grant date was $405,500.

Options granted during the 2010 financial year were not related to performance of the company as they were granted as an incentive to drive the continuing performance of the Company. These options were issued to Mr Scott Baldwin during the 2010 financial year in five 200,000 option tranches. The total fair value of these options on grant date was $44,740.

As the options vest over time the cost is expensed in accordance with AASB2 over the vesting period. In the 2014 financial year the expense for key management personnel is $131,295 (2013: $35,944).

Details on the determination of the fair value of options issued to the KMP are set out in note 8 to the financial statements.

Share based compensation

Options

Options are granted under the Money3 Corporation Limited's Director and Employee Share Option Plan. Options are granted under the plan for no consideration. The board meets to determine eligibility for the granting of options, and to determine the quantity and terms of options that will be granted.

The valuations of options are independently determined by independent experts using the Binomial option pricing model taking into account the terms and conditions upon which the instruments were granted.

The following table discloses terms and conditions of each grant of options provided as compensation.

	Issue Date	Options Granted	Exercise Price	Expiry Date	Vesting Date	Maximum total value of issue yet to vest $
S Baldwin	27 Nov 2009	200,000	$0.85	31 Dec 2014	31 Dec 2013	6,473
S Baldwin	27 Nov 2009	200,000	$1.00	31 Dec 2015	31 Dec 2014	6,086
S Baldwin	16 Nov 2012	1,000,000	$0.50	16 Nov 2017	16 Nov 2015	47,000
C Harris	30 Sep 2012	1,000,000	$0.50	30 Sep 2017	30 Sep 2015	47,000
C Harris	21 Oct 2013	500,000	$1.00	21 Oct 2018	21 Oct 2016	109,500
R Bryant	30 Nov 2013	2,000,000	$1.50	30 Nov 2018	30 Nov 2016	148,000
C Harris	30 Nov 2013	1,000,000	$1.50	30 Nov 2018	30 Nov 2016	74,000
S Baldwin	30 Nov 2013	1,000,000	$1.50	30 Nov 2018	30 Nov 2016	74,000

These options vest if an event occurs which gives rise to a change in control of the Company. 4,500,000 (2013: 2,000,000) options were issued during the 30 June 2014 financial year.

Share options carry no rights to dividends and no voting rights. In accordance with the terms of the share option schemes, options may be exercised at any time from the date on which they vest to the date of their expiry, subject to any additional specific requirements of the particular allocation.

At the company's 2014 Annual General Meeting Money3 Corporation Limited received more than 99.38% of "yes" votes on its remuneration report for the 2013 financial year. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Key management personnel equity holdings

Details of key management personnel equity holdings of the Group, including their personally related parties are disclosed below. There were no shares granted during the reporting period as compensation.

	Balance at 1 July 2013	Granted as remuneration	On exercise of options	Net change other*	Balance as at 30 June 2014
Geoffrey Sam	124,459	-	-	2,800	127,259
Vaughan Webber	-	-	-	30,000	30,000
Robert Bryant	9,756,849	-	-	-	9,756,849
Kang Hong Tan	5,099,668	-	-	28,019	5,127,687
Christopher Baldwin	1,059,019	-	-	56,909	1,115,928
Scott Baldwin	1,841,106	-	200,000	(40,998)	2,000,108
Bettina Evert	244,979	-	-	3,503	248,482
Total	**18,126,080**	**-**	**200,000**	**80,233**	**18,406,313**

*Net change other refers to the shares purchased, sold, or issued under the DRP.

Options holdings over ordinary shares in Money3 Corporation Limited held during the financial year by each director of Money3 Corporation Limited and key management personnel of the consolidated entity, including their personally related parties are set out below.

	Balance as at 1 July 2013	Received as remuneration	Options exercised	Net change other	Balance as at 30 June 2014	Total exercisable and vested	Total options vested	Total options unvested
S Baldwin	1,600,000	1,000,000	(200,000)	-	2,400,000	-	-	2,400,000
C Harris	1,000,000	1,500,000	-	-	2,500,000	-	-	2,500,000
R Bryant	-	2,000,000	-	-	2,000,000	-	-	2,000,000
Total	2,600,000	4,500,000	(200,000)	-	6,900,000	-	-	6,900,000

End of Remuneration Report (Audited)

Proceedings on behalf of the company

No person has applied to the Court for leave to bring proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of these proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Non-Audit Services

There were no non audit services provided by the auditor during the 2014 or 2013 financial years.

Auditor's independence declaration

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

Signed in accordance with a resolution of the Directors

On behalf of the directors

Vaughan Webber
Chairman
Melbourne
Dated 21 August 2014

Auditor's Independence Declaration

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DECLARATION OF INDEPENDENCE BY DAVID GARVEY TO THE DIRECTORS OF MONEY3 CORPORATION LIMITED

As lead auditor of Money3 Corporation Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect Money3 Corporation Limited and the entities it controlled during the period.

David Garvey
Partner

BDO East Coast Partnership

Melbourne, 21 August 2014

BDO Independent Auditors Report

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INDEPENDENT AUDITOR'S REPORT

To the members of Money3 Corporation Limited

Report on the Financial Report

We have audited the accompanying financial report of Money3 Corporation Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

BDO Independent Auditors Report (continued)

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Money3 Corporation Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Money3 Corporation Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1(a).

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 18 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Money3 Corporation Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership

BDO

David Garvey
Partner

Melbourne, 21 August 2014

Directors' Declaration

The directors of Money3 Corporation Limited declare that:

1. in the directors' opinion the financial statements and notes and the Remuneration report in the Directors Report set out on pages 13 to 18, are in accordance with the Corporations Act 2001, including:
2. giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance, for the financial year ended on that date; and
3. complying with Australian Accounting Standards (including the Australian Accounting Interpretations), Corporations Regulations 2001 and other mandatory professional reporting requirements;
4. the financial report also complies with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as disclosed in Note 1(a); and
5. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by Section 295A of the Corporations Act 2001 by the Managing Director and chief financial officer for the financial year ended 30 June 2014.

Signed in accordance with a resolution of the directors pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors

Vaughan Webber
Chairman
Melbourne
Dated 21 August 2014

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2014

	Notes	Consolidated 2014 $	Consolidated 2013 $
Revenue from continuing operations	2	**43,507,708**	**22,787,126**
Other Income	3	-	86,987
Expenses from operating activities:			
Employee benefit expense	3	14,950,930	8,389,479
Operating lease expense		3,427,428	2,199,421
Bad debts and allowance for impairment losses		6,121,261	2,451,975
Depreciation & amortisation expense	3	1,168,665	1,307,550
Other expenses	3	5,321,220	2,920,319
Finance Costs	3	978,018	358,058
Loss on sale of property, plant and equipment		387,972	18,837
Impairment of property, plant and equipment		190,741	-
Profit before income tax from continuing operations		**10,961,473**	**5,228,474**
Income tax expense	5	(3,129,830)	(1,580,607)
Profit after income tax for the year from continuing operations		**7,831,643**	**3,647,867**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss Exchange gain/(loss) on translation of foreign operation		-	(258)
Other comprehensive income/(loss) for the year net of tax		-	(258)
Total comprehensive income for the year net of tax		**7,831,643**	**3,647,609**
Profit attributable to:			
Owners of Money3 Corporation Limited		**7,831,643**	**3,647,867**
Non-controlling interest		**-**	**-**
		7,831,643	**3,647,867**
Total comprehensive income attributable to:			
Owners of Money3 Corporation Limited		**7,831,643**	**3,647,609**
Non-controlling interest		**-**	**-**
		7,831,643	**3,647,609**
Basic earnings per share (cents)	6	8.13	6.16
Diluted earnings per share (cents)	6	7.65	5.87

The statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

Statement of Financial Position

as at 30 June 2014

	Notes	Consolidated 2014 $	Consolidated 2013 $
ASSETS			
Current assets			
Cash and cash equivalents	9	23,679,063	4,564,100
Loans and other receivables	10	42,852,782	17,650,848
Other assets	11	649,897	816,715
Total current assets		**67,181,742**	**23,031,663**
Non current assets			
Loans and other receivables	10	29,846,832	14,510,052
Other assets	11	340,869	235,088
Property, plant & equipment	12	2,051,323	3,281,566
Intangibles assets	13	15,363,487	15,363,487
Deferred tax assets	5(d)	1,925,958	823,799
Total non current assets		**49,528,469**	**34,213,992**
Total assets		**116,710,211**	**57,245,655**
LIABILITIES			
Current liabilities			
Trade and other payables	14	2,292,740	1,207,901
Borrowings	16	-	3,052,181
Current tax payables	5(c)	3,013,825	1,104,140
Provisions	15	881,225	611,762
Total current liabilities		**6,189,790**	**5,975,984**
Non current liabilities			
Borrowings	16	29,340,000	-
Provisions	15	86,823	53,915
Total non current liabilities		**29,426,823**	**53,915**
Total liabilities		**35,614,613**	**6,029,899**
Net assets		**81,095,598**	**51,215,756**
EQUITY			
Issued capital	17	71,195,425	45,097,588
Reserves	18	187,064	55,769
Retained earnings	4	9,713,109	6,062,399
Total equity		**81,095,598**	**51,215,756**

The statement of financial position is to be read in conjunction with the attached notes

Statement of Changes in Equity

for the year ended 30 June 2014

Consolidated

	Issued Capital $	Retained Earnings $	Reserves $	Non-controlling interest $	Total $
At 1 July 2012	**28,902,114**	**4,574,344**	**26,463**	**(66,190)**	**33,436,731**
Profit after income tax expense for the year	-	3,647,867	-	-	3,647,867
Other comprehensive loss for the year, net of tax	-	-	(258)	-	(258)
Total comprehensive income/(loss) for the year	-	3,647,867	(258)	-	3,647,609
Transactions with owners in their capacity as owners:					
Issue of shares	15,893,202	-	-	-	15,893,202
Transaction costs arising for share issue	(662,498)	-	-	-	(662,498)
Deferred tax asset due to transaction costs arising for share issue	198,749	-	-	-	198,749
Sale of controlled entity	-	-	-	66,190	66,190
Employee share options -value of employees service	-	-	39,344	-	39,344
Transfer of lapsed options	-	9,780	(9,780)	-	-
Dividend paid	766,021*	(2,169,592)	-	-	(1,403,571)
Closing balance as at 30 June 2013	**45,097,588**	**6,062,399**	**55,769**	**-**	**51,215,756**

At 1 July 2013	**45,097,588**	**6,062,399**	**55,769**	**-**	**51,215,756**
Profit after income tax expense for the year	-	7,831,643	-	-	7,831,643
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	7,831,643	-	-	7,831,643
Transactions with owners in their capacity as owners:					
Issue of shares	25,556,918	-	-	-	25,556,918
Transaction costs arising for share issue	(996,209)	-	-	-	(996,209)
Deferred tax asset due to transaction costs arising for share issue	298,863	-	-	-	298,863
Employee share options -value of employees service	-	-	131,295	-	131,295
Options exercised	140,000	-	-	-	140,000
Dividend paid	1,098,265*	(4,180,933)	-	-	(3,082,668)
Closing balance as at 30 June 2014	**71,195,425**	**9,713,109**	**187,064**	**-**	**81,095,598**

*Shares issued to shareholders that elect to participate in the Dividend Reinvestment Plan.

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

Statement of Cash Flows

for the year ended 30 June 2014

	Notes	Consolidated 2014 $	Consolidated 2013 $
Cash flows from operating activities			
Net fees and charges from customers		37,308,163	19,629,330
Payments to suppliers and employees (GST Inclusive)		(22,202,015)	(14,753,148)
Interest received		122,745	41,683
Finance costs		(1,638,018)	(358,058)
Income tax paid		(2,023,441)	(1,396,346)
Net cash provided by operating activities	19(b)	11,567,434	3,163,461
Cash flows from investing activities			
Payment for property, plant and equipment		(1,289,375)	(2,058,338)
Proceeds from property, plant and equipment		772,241	136,582
Net funds advanced to customers for loans		(40,501,197)	(12,767,855)
Payments for purchase of business		-	(235,000)
Net cash used in investing activities		(41,018,331)	(14,924,611)
Cash flows from financing activities			
Proceeds from share issue		24,700,709	15,010,703
Repayment of hire purchase borrowings		-	(45,914)
Proceeds from borrowings		30,624,000	3,130,445
Repayment of borrowings		(3,554,000)	(1,745,000)
Dividend paid		(3,082,668)	(1,403,571)
Net cash provided by financing activities		48,688,041	14,946,663
Net increase in cash held		**19,237,144**	**3,185,513**
Cash and cash equivalents at the beginning of the year		4,441,919	1,256,406
Cash and cash equivalents at end of the year	19(a)	**23,679,063**	**4,441,919**

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

Notes to the financial statements

Contents

Notes to the Financial Statements for the year ended 30 June 2014

Introduction

The financial report covers Money3 Corporation Limited ("Money3" or "Company") and its controlled entities. Money3 is a Company limited by shares whose shares are publicly traded on the Australian Securities Exchange ("ASX"). Money3 is incorporated and domiciled in Australia. Money3 Corporation Limited and its controlled entities ("Group") were accounted for as a reverse acquisition on 1 July 2006. The presentation currency and functional currency of the Group is Australian dollars and amounts are rounded to the nearest dollar.

Separate financial statements for Money3 Corporation Limited as an individual entity are no longer presented as the consequence of a change to the Corporations Act 2001, however, limited financial information for Money3 Corporation Limited as an individual entity is included in Note 29.

The principal activity of the Group during the financial year was to provide small cash loans in the form of line of credit and personal loans, car loans, cheque cashing, equipment and motor vehicle rental.

The financial statements are presented in Australian dollars and amounts are rounded to the nearest dollar.

The financial report was authorised for issue by the Board of Directors of Money3 Corporation Limited at a directors meeting on the date shown on the Declaration by the Board of Directors attached to the Financial Statements.

1. Summary of significant accounting policies

a) Basis of accounting

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations and complies with other requirements of the law, as appropriate for profit oriented entities. The financial report comprises the consolidated financial statements of the group.

The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on an accrual basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial statements have been prepared on a going concern basis. The financial statements have been prepared in accordance with Australian Accounting Standards, which are based on the Company continuing as a going concern which assumes the realisation of assets and the extinguishment of liabilities in the normal course of business and at the amounts stated in the financial report.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report. The accounting policies have been consistently applied and except where there is a change in accounting policy, are consistent with those of the previous year.

New, revised or amending accounting standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 10 Consolidated Financial Statements

The consolidated entity has applied AASB 10 from 1 July 2013, which has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights that give it the current ability to direct the activities that significantly affect the investee's returns. The consolidated entity not only has to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
1. Summary of significant accounting policies (continued)
a) Basis of accounting (continued)

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

The consolidated entity has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

AASB 127 Separate Financial Statements (Revised), AASB 128 Investments in Associates and Joint Ventures (Reissued) and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

The consolidated entity has applied AASB 127, AASB 128 and AASB 2011-7 from 1 July 2013. AASB 127 and AASB 128 have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12 and AASB 2011-7 makes numerous consequential changes to a range of Australian Accounting Standards and Interpretations. AASB 128 has also been amended to include the application of the equity method to investments in joint ventures.

b) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2014. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 9 Financial Instruments and its consequential amendments

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2017 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of these amendments from 1 July 2014 may increase the disclosures by the consolidated entity.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
1. Summary of significant accounting policies (continued)
b) New Accounting Standards and Interpretations not yet mandatory or early adopted (continued)

AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and amends AASB 139 'Financial Instruments: Recognition and Measurement' to permit continuation of hedge accounting in circumstances where a derivative (designated as hedging instrument) is novated from one counter party to a central counterparty as a consequence of laws or regulations. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

AASB 2013-5 Amendments to Australian Accounting Standards - Investment Entities

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and allow entities that meet the definition of an 'investment entity' to account for their investments at fair value through profit or loss. An investment entity is not required to consolidate investments in entities it controls, or apply AASB 3 'Business Combinations' when it obtains control of another entity, nor is it required to equity account or proportionately consolidate associates and joint ventures if it meets the criteria for exemption in the standard. The adoption of these amendments from 1 July 2014 will have no impact on the consolidated entity.

Annual Improvements to IFRSs 2010-2012 Cycle

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects several Accounting Standards as follows: Amends the definition of 'vesting conditions' and 'market condition' and adds definitions for 'performance condition' and 'service condition' in AASB 2 'Share-based Payment'; Amends AASB 3 'Business Combinations' to clarify that contingent consideration that is classified as an asset or liability shall be measured at fair value at each reporting date; Amends AASB 8 'Operating Segments' to require entities to disclose the judgements made by management in applying the aggregation criteria; Clarifies that AASB 8 only requires a reconciliation of the total reportable segments assets to the entity's assets, if the segment assets are reported regularly; Clarifies that the issuance of AASB 13 'Fair Value Measurement' and the amending of AASB 139 'Financial Instruments: Recognition and Measurement' and AASB 9 'Financial Instruments' did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amount, if the effect of discounting is immaterial; Clarifies that in AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets', when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount (i.e. proportional restatement of accumulated amortisation); and Amends AASB 124 'Related Party Disclosures' to clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a 'related party' of the reporting entity. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

Annual Improvements to IFRSs 2011-2013 Cycle

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects four Accounting Standards as follows: Clarifies the 'meaning of effective IFRSs' in AASB 1 'First-time Adoption of Australian Accounting Standards'; Clarifies that AASB 3 'Business Combination' excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself; Clarifies that the scope of the portfolio exemption in AASB 13 'Fair Value Measurement' includes all contracts accounted for within the scope of AASB 139 'Financial Instruments: Recognition and Measurement' or AASB 9 'Financial Instruments', regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132 'Financial Instruments: Presentation'; and Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in AASB 3 'Business Combinations' and investment property as defined in AASB 140 'Investment Property' requires the separate application of both standards independently of each other. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

c) Parent entity financial information

The financial information for the parent entity Money3 Corporation Limited, disclosed in note 29 has been prepared on the same basis as the consolidated financial statements.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
1. Summary of significant accounting policies (continued)

d) Principles of consolidation

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Money3 Corporation Limited ('company' or 'parent entity') as at 30 June 2014 and the results of all subsidiaries for the year then ended. Money3 Corporation Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

e) Critical accounting estimates, assumptions and judgements

In the application of Australian Accounting Standards, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

Judgments made in the application of Australian Accounting Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable in the relevant notes to the financial statements.

Judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements concern the estimated impairment of investments in subsidiaries in the parent entity, associated goodwill on consolidation of subsidiaries, allowance for doubtful debts and share based payments.

Goodwill

The consolidated entity tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 1(j). The Directors are of the opinion that there has been no impairment of goodwill. Refer to Note 13 for further details.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
1. Summary of significant accounting policies (continued)
e) Critical accounting estimates, assumptions and judgements (continued)

Allowance for doubtful debts

The Company assesses impairment regularly. The allowance for impairment losses represents management's estimate of the losses incurred in the loan book as at 30 June 2014 based on past experience and judgement. At 30 June 2014, the allowances for impairment losses were $3,912,677 (2013: $988,736).

Share based payments

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

f) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

g) Loans and other receivables

Loans and other receivables are non-derivative financial assets, with fixed and determinable payments that are not quoted in an active market. Loans and other receivables are initially recognised at fair value, including direct transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Collectability of receivables are reviewed on an ongoing basis, and an allowance for impairment losses is recognised when there is objective evidence that the collection of the full amount is no longer probable. Bad debts are written off when identified.

Receivables from related parties are recognised and carried at the nominal amount due.

Loans and other receivables are due for settlement at various times in line with the terms of their contracts.

h) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either: i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Except for effective hedging instruments, derivatives are also categorised as fair value through profit or loss. Fair value movements are recognised in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
1. Summary of significant accounting policies (continued)
h) Investments and other financial assets (continued)

Impairment of financial assets

The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the available-for-sale reserve.

i) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
1. Summary of significant accounting policies (continued)

j) Intangible assets

All intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair value can be measured reliably.

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the entity's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill is not amortised. Instead, goodwill is tested for impairment, annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

Software

Costs incurred in developing products or systems that will contribute to future periods through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project.

k) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impaired loss is recognized for the amount by which the assets carrying amount may not be recoverable.

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

l) Acquisition of assets

The cost method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition. Acquisition related costs are expensed as incurred. Where shares are issued in an acquisition, the value of the shares is determined having reference to existing markets.

m) Property, plant and equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on property, plant and equipment and is calculated on a diminishing value basis over its estimated useful life net of estimated residual values. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period.

The following rates are used in the calculation of depreciation:

Class of Fixed Asset	Depreciation Rate
Leasehold Improvements	20% to 30% or remaining life of the lease
Motor Vehicles	20% to 50%
Furniture, Equipment and Fittings	20% to 37.5%
Rental Assets	33% to 50%

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
1. Summary of significant accounting policies (continued)
m) Property, plant and equipment (continued)

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. Impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Impairment losses are recognised in the Profit or Loss.

Disposals

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is disposed.

n) Trade and other payables

Trade and other payables are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

o) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST) except:

1. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense, or
2. for receivables and payables which are recognised inclusive of GST, the net amount of GST recoverable from, or payable to the taxation authority is included as part of receivables or payables in the Statement of Financial Position. Receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as an operating cash flow.

p) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the discounted present value of those cash flows. As that discount is unwound it gives rise to interest expense in the Profit or Loss.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
1. Summary of significant accounting policies (continued)

q) Issued capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

r) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the economic entity and the revenue can be reliably measured.

Loan fees and charges

Revenue associated with loans such as application and credit fees are deferred and recognised over the life of the loans using the effective interest rate method (i.e. on a reducing balance basis) over the loan period.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Dividends

Revenue is recognised when Money3 Corporation Limited has the right to receive the payment.

Rendering of service

Revenue from the rendering of services such as cheque cashing and money transfer is recognised in the Profit or Loss when the service is performed and there are no unfulfilled service obligations that will restrict the entitlement to receive the sales consideration.

Rental income

Rental income is recognised in the Profit or Loss as rent accrues on a daily basis in line with lease agreements. The company has a policy of ceasing to recognise income on operating leases when a rental payment is not made on time. Revenue will only recommence accruing when payments recommence.

s) Employee benefits

Wages and salaries and annual leave

The provision for employee benefits relates to liabilities for wages and salaries and annual leave expected to be settled within 12 months of the reporting date and is recognised in respect of employees' service up to the reporting date measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Superannuation

The amount charged to the Profit or Loss in respect of superannuation represents the contributions made by the consolidated entity to the employees' nominated superannuation funds.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
1. Summary of significant accounting policies (continued)

t) Income tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base for those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that sufficient taxable amounts will be available against deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the assets and liabilities giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances they relate to are levied by the same taxation authority.

Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and the entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax is recognised as an expense or income in the Statement of Profit or Loss and Other Comprehensive Income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill.

On 1 July 2010 Money3 Corporation Limited ('the head entity') and its wholly-owned Australian controlled entities formed a tax consolidated group under the tax consolidation regime. The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the group allocation approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by subsidiaries to the head entity.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
1. Summary of significant accounting policies (continued)

u) Leases

Leases under which the Company or its controlled entities assume substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

The Group as lessee

Finance leases

Finance leases, which transfer to the economic entity substantially all the risks and benefits incidental to ownership of the leased item, are recognised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments, with a corresponding liability included in current and non-current payables.

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset. Finance lease payments are allocated between interest expense and reduction of lease liability over the term of the lease. The interest expense is determined by applying the interest rate implicit in the lease to the outstanding lease liability at the beginning of each lease payment period. Finance charges are charged directly against income. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit or Loss and Other Comprehensive Income on a straight line basis over the term of the lease.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

v) Borrowings

Borrowings are initially measured at fair value, net of transaction costs. Borrowings are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 month after the reporting date.

Borrowing costs are recognised as an expense in the period in which they are incurred except borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale. In this case the borrowing costs are capitalised as part of the cost of such a qualifying asset.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
1. Summary of significant accounting policies (continued)

w) Share based payment arrangements

Goods or services received or acquired in a share-based payment transaction are recognised as an increase in equity if the goods or services were received in an equity-settled share based payment transaction or as a liability if the goods and services were acquired in a cash settled share-based payment transaction.

For equity settled share-based payments, goods or services received are measured directly at the fair value of the goods and services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instruments issued. The share option reserve is used to record the grant of share options to directors and senior employees. Amounts are transferred out of the reserve account into issued capital when the options are exercised or to retained earnings if the options lapse unexercised.

x) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Where a net loss is made for the period, basic EPS and diluted EPS are the same, because, the inclusion of options in the earnings per share calculations does not result in further dilution.

y) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at reporting date.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)

2. Revenue

	Notes	Consolidated 2014 $	Consolidated 2013 $
Revenue from operating activities			
Loan fees and charges		40,680,231	20,182,569
Cheque cashing fees		949,870	800,571
Rental services		1,030,636	1,525,896
Other		724,226	236,407
		43,384,963	22,745,443
Revenue from non-operating activities			
Interest income from financial institutions		122,745	41,683
Total revenue from continuing operations		43,507,708	22,787,126

3. Other items included in net profit from continuing operations

Profit before income tax has been determined after:

	Notes	Consolidated 2014 $	Consolidated 2013 $
Other Income			
Profit on sale of controlled entity	20	-	86,987
Employee benefit expense			
Salary and employee benefits expense		11,360,661	6,904,705
Share based payments		131,295	39,344
Defined contributed superannuation		963,625	595,561
Other employment costs		2,495,349	849,869
Total Employee benefit expense		14,950,930	8,389,479
Depreciation and amortisation expense			
Leasehold improvements		217,920	163,815
Motor vehicles		16,209	18,055
Furniture, equipment and fittings		334,714	288,982
Rental assets		599,822	836,698
Total depreciation and amortisation expense		1,168,665	1,307,550
Other expenses			
Advertising		1,455,477	575,464
Communication		1,018,816	458,211
Legal and professional		1,141,621	829,357
Other expenses		1,705,306	1,057,287
Total other expenses		5,321,220	2,920,319
Operating lease			
Minimum rent payments		2,423,745	1,347,328
Finance costs *(a)*			
Interest on bank overdrafts and loans		510,518	354,262
Interest on obligations under finance lease		-	3,796
Cost of bond issue		467,500	-
Total finance costs		978,018	358,058

(a) The weighted average interest rate on funds borrowed generally is 11.6% p.a. (2013: 11.7% p.a.)

Notes to the Financial Statements for the year ended 30 June 2014 (continued)

4. Retained Earnings

	Consolidated 2014 $	Consolidated 2013 $
Retained earnings at 1 July	6,062,399	4,574,344
Net profit	7,831,643	3,647,867
Dividends Paid (note 7)	(4,180,933)	(2,169,592)
Lapsed Options transferred from share option reserve	-	9,780
Retained earnings at 30 June	9,713,109	6,062,399

5. Income Tax

a) Income tax expense recognised in the Statement of profit and loss and other comprehensive income

Current tax expense		
Current tax expense in respect of current year	4,239,231	1,709,458
Adjustments recognised in current year in relation to the current tax of previous years	(306,105)	-
	3,933,126	1,709,458
Deferred tax		
Deferred tax income related to the origination and reversal of temporary differences in relation to deferred tax assets	(803,296)	(128,851)
Total tax expense in the Statement of profit or loss and other comprehensive Income	3,129,830	1,580,607

b) The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows

Profit from continuing operations before income tax expense	**10,961,473**	**5,228,474**
Income tax calculated at 30% (2013: 30%)	3,288,441	1,568,542
Add/(less):		
Non assessable income	-	-
Share based payments	39,389	11,779
Non Deductible expenses	-	286
Deductible finance costs	(121,932)	-
Other timing differences	230,037	-
	3,435,935	1,580,607
Over provision in prior years	(306,105)	-
Income tax expense	3,129,830	1,580,607

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

c) Current tax liabilities

Income tax payable attributable to:		
Entities in the consolidated group	3,013,825	1,104,140
	3,013,825	1,104,140

Notes to the Financial Statements for the year ended 30 June 2014 (continued)

5. Income Tax (continued)

d) Deferred tax balances	**Consolidated 2014 $**	**Consolidated 2013 $**
Deferred tax assets comprises:		
Capital raising costs	387,810	210,880
Provisions and accruals	1,538,148	612,919
	1,925,958	823,799
Movements:		
Opening balance	823,799	496,198
Income tax expense	803,296	128,852
Credited to equity	298,863	198,749
Closing balance	1,925,958	823,799

e) Tax losses

Unused tax losses for which no deferred tax assets has been recognised	-	-

6. Earnings per share

	Consolidated 2014 Cents	**Consolidated 2013 Cents**
a) Basic and diluted earnings per share		
Basic earnings per share (cents per share)	8.13	6.16
Diluted earnings per share (cents per share)	7.65	5.87
b) The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:		
Earnings used in basic and diluted earnings per share (net profit)	7,831,643	3,647,867
	Number	**Number**
Weighted average number of ordinary shares for the purpose of basic earnings per share	96,328,124	59,258,626
Weighted average number of ordinary and potential ordinary shares used in the calculation of diluted earnings per share as follows:		
Weighted average number of ordinary shares basic	96,328,124	59,258,626
Dilutive potential ordinary shares	6,080,959	2,905,068
Weighted average number of ordinary shares and potential ordinary shares used in calculation of diluted earnings per share	102,409,083	62,163,694

(i) Options

Options granted to employees are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to options are set out in note 8.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)

7. Dividends

	2014 Cents per share	2014 $	2013 Cents per share	2013 $
Recognised amounts				
Fully paid ordinary shares				
Final dividend fully franked at 30% tax rate	2.25	2,079,410	2.25	1,098,748
Interim dividend fully franked at 30% tax rate	2	2,101,523	1.75	1,070,844
Unrecognised amounts				
Fully paid ordinary shares				
Final dividend fully franked at 30% tax rate	2.5	2,679,683	2.25	1,760,005

On 20 August 2014, the directors declared a fully franked final dividend of 2.50 cents per share to the holders of fully paid ordinary shares in respect of the financial year ended 30 June 2014, to be paid to shareholders on 23 October 2014. The dividend will be paid to shareholders on the Register of Members on 8 October 2014. This dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is $2,679,683.

Dividend Franking Credits

	Consolidated 2014 $	Consolidated 2013 $
Franking credits available for subsequent financial years based on a tax rate of 30% (2013 – 30%) (i)	5,582,115	2,985,935
Impact on franking account balance of dividends not recognised (ii)	(1,148,435)	(754,288)

(i) The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
- franking credit that will arise from the payment of the amount of the provision for income tax;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

(ii) The consolidated group has been formed into a consolidated tax group therefore the franking credits have been consolidated to the parent entity to pay fully franked dividends to shareholders on 23 October 2014. The impact on the franking account of the dividend recommended by the directors since year end, but not recognised as liability at year end, will be a reduction in the franking account of $1,148,435 (2013: $754,288).

8. Share based payments

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

	2014 Number	2013 Number
Balance at 1 July	3,550,000	800,000
Lapsed during the financial period	-	(200,000)
Exercised during the financial period	(200,000)	-
Granted during the financial period	4,500,000	2,950,000
Balance at 30 June	7,850,000	3,550,000

No options were forfeited, or expired during the period.

The Company has a total of 4,400,000 options on issue (2013: 1,600,000 options) to the Directors (or their nominees) ("Director Options").

	Issue Date	Options Granted	Exercise Price	Expiry Date	Vesting Date
Scott Baldwin	27 November 2009	200,000	$0.85	31 December 2014	31 December 2013
Scott Baldwin	27 November 2009	200,000	$1.00	31 December 2015	31 December 2014
Scott Baldwin	16 November 2012	1,000,000	$0.50	16 November 2017	16 November 2015
Scott Baldwin	30 November 2013	1,000,000	$1.50	30 November 2018	30 November 2016
Robert Bryant	30 November 2013	2,000,000	$1.50	30 November 2018	30 November 2016

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
8. Share based payments (continued)

Options on issue have the following conditions:-

- The options vest in full when an event occurs which give rise to a change in control of the Company.
- If the Company after having granted these options restructures its issued share capital, ASX Listing Rules will apply to the number of Shares issued to the option holder on exercise of an option.
- Options will not be listed on ASX but application will be made for quotation of the shares resulting from the exercise of the options.
- On issue of the resulting shares, they will rank equally with ordinary shares on issue at that time.
- Share options carry no rights to dividends and no voting rights. In accordance with the terms of the share option schemes, options may be exercised at any time from the date on which they vest to the date of their expiry, subject to any additional specific requirements of the particular allocation

Consideration received on the exercise of options is recognised as contributed equity. During the financial year ended 30 June 2014, 200,000 options were exercised (2013: nil).

The weighted average share price during the year was $0.98 (2013: $0.56)

Options

Options are granted under the Money3 Corporation Limited's Director and Employee Share Option Plan. Options are granted under the plan for no consideration. The board meets to determine eligibility for the granting of options, and to determine the quantity and terms of options that will be granted.

The valuation of options is determined by an independent expert using the Binomial option pricing model taking into account the terms and conditions upon which the instruments were granted.

Options granted under the plan carry no dividend or voting rights

The expected price volatility is based on the historical volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

The model inputs for options on issue at 30 June 2014 included:

	Director - Expire 31/12/2014	Director - Expire 31/12/2015	Employee-Expire 30/09/2017	Employee-Expire 16/11/2017	Employee-Expire 21/10/2018	Employee-Expire 30/11/2018	Director-Expire 30/11/2018
Exercise price	$0.85	$1.00	$0.50	$0.50	$1.00	$1.50	$1.50
Grant date	27/11/2009	27/11/2009	30/09/2012	16/11/2012	21/10/2013	30/11/2013	30/11/2013
Expiry date	31/12/2014	31/12/2015	30/09/2017	16/11/2017	21/10/2018	30/11/2018	30/11/2018
Share price at grant date	$0.45	$0.45	$0.43	$0.43	$1.05	$1.00	$1.00
Expected volatility	40%	40%	40%	40%	32%	32%	32%
Expected dividend yield	7.33%	7.33%	9.50%	9.50%	4.25%	4.25%	4.25%
Risk free rate	4.925%	5.000%	2.52%	2.52%	3.4%	3.4%	3.4%

The following reconciles the outstanding share options granted under the Executive Share Option Plan at the beginning and end of the financial year.

	2014 No of options	2014 Weighted average exercise price $	2013 No of options	2013 Weighted average exercise price $
Balance at beginning of year	3,550,000	0.56	800,000	0.79
Granted during the year	4,500,000	1.44	2,950,000	-
Forfeited during the year	-	-	-	-
Exercised during year	(200,000)	0.70	-	-
Lapsed during year	-	-	(200,000)	0.60
Expired during the year	-	-	-	-
Balance at end of year	7,850,000	1.06	3,550,000	0.56
Weighted average remaining contractual life	3.82 years		3.07 years	
Exercisable at the end of the financial year	200,000	.85	200,000	0.70

Notes to the Financial Statements for the year ended 30 June 2014 (continued)

9. Cash and cash equivalents

	Consolidated 2014 $	Consolidated 2013 $
Cash at bank and in hand	23,679,063	4,564,100
Reconciliation to cash and cash equivalents at the end of financial year		
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:		
Cash and cash equivalents	23,679,063	4,564,100
Bank overdraft (note 16)	-	(122,181)
Cash at bank and in hand	23,679,063	4,441,919

The Group's exposure to interest rate risk is discussed in note 25. The maximum expose to credit risk at the end of the financial year is the carrying amount of each class of cash and cash equivalents mentioned above.

10. Loans and other receivables

Loans and other receivables	76,612,291	33,149,636
Allowance for impairment losses	(3,912,677)	(988,736)
	72,699,614	32,160,900
Current receivables	42,852,782	17,650,848
Non-current receivables	29,846,832	14,510,052
Total receivables	72,699,614	32,160,900

Loans and other receivables have been aged according to their original due date in the below ageing analysis, including where repayment terms for certain long outstanding trade receivables have been renegotiated. The carrying value of trade receivables after allowance for impairment losses is considered a reasonable approximation of fair value.

The following basis has been used to assess the allowance for impairment losses required for loans:

- an individual account by account assessment based on past credit history;
- any prior knowledge of debtor insolvency or other credit risk; and
- working with client managers on weekly basis to assess past due items to determine recoverability.

An allowance has been made for estimated irrecoverable loans amounts arising from the past provision of services, determined by reference to past default experience. During the current financial year, the allowance for doubtful debts increased by $ 2,923,941 (2013: increased by $154,150) in the Group. These amounts relate mainly to customers experiencing financial hardships. This movement was recognised in the Profit or Loss. During the year the Group's bad debt expense increased by $3,669,286 (2013: increased by $926,247). The consolidated entity actively reviews debtors for their recoverability and these debts are expensed immediately when non recoverability is identified.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements. The Group does not hold any collateral as security over loans below $5,000, and as such did not take possession of any collateral for loans in this category. Security is generally taken for loans above $5,000 and is secured by collateral of approximately $43,356,664 (2013: $20,372,501). The total fair value of securities held for certain trade receivables is impracticable to determine for accounting disclosure as is the fair value of any collateral sold or repledged. However, the security position against individual debtors is considered by management in their evaluation of the recoverable amount.

Refer to Note 25 for more information on the risk management policy of the Group and the credit quality of the entity's loans and other receivables.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
10. Loans and other receivables (continued)

The following table provides an analysis of past due receivables;

Consolidated		**2014**			**2013**	
The ageing of the receivables is:	**Gross $**	**Allowance $**	**Net $**	**Gross $**	**Allowance $**	**Net $**
1 to 3 months	9,142,061	(2,738,874)	6,403,187	4,985,090	(692,115)	4,292,975
3 to 6 months	2,612,017	(782,535)	1,829,482	1,424,311	(197,747)	1,226,564
More than 6 months	1,306,009	(391,268)	914,741	712,156	(98,874)	613,282
Total	13,060,009	(3,912,677)	9,147,410	7,121,557	(988,736)	6,132,821

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

	Consolidated 2014 $	**Consolidated 2013 $**
Opening balance	988,736	834,586
Additional provisions	6,121,261	2,451,975
Receivables written off as uncollectible	(3,917,075)	(2,718,607)
Bad debts recovered	719,755	420,782
Closing balance	3,912,677	988,736

The creation and release of provision for impaired receivables has been included in the profit and loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

11. Other assets

Current		
Prepayments	131,199	187,751
Accrued Interest Income	506,835	466,909
Refundable facility fee	-	150,000
Other	11,863	12,055
	649,897	816,715
Non-Current		
Rental deposits	340,869	235,088

There were no past due and impaired other debtors.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)

12. Property, plant and equipment

2014	**Motor vehicles**	**Rental Assets**	**Leasehold Improvements**	**Furniture, Equipment and Fittings**	**Total**
	$	**$**	**$**	**$**	**$**
Gross carrying amount					
Balance at 1 July 2013	237,927	2,563,717	1,393,855	2,342,175	6,537,674
Additions	30,286	342,909	663,645	252,535	1,289,375
Disposals	(67,370)	(2,379,907)	-	-	(2,447,277)
Balance at 30 June 2014	200,843	526,719	2,057,500	2,594,710	5,379,772
Accumulated Depreciation					
Balance at 1 July 2013	165,460	971,192	811,019	1,308,437	3,256,108
Depreciation expense	16,209	599,822	217,920	334,714	1,168,665
Impairment of assets	-	190,741	-	-	190,741
Disposals	(52,029)	(1,235,036)	-	-	(1,287,065)
Balance at 30 June 2014	129,640	526,719	1,028,939	1,643,151	3,328,449
Net carrying amount					
As at 30 June 2014	71,203	-	1,028,561	951,559	2,051,323

2013	**Motor vehicles**	**Rental Assets**	**Leasehold Improvements**	**Furniture, Equipment and Fittings**	**Total**
	$	**$**	**$**	**$**	**$**
Gross carrying amount					
Balance at 1 July 2012	237,927	1,124,010	1,185,732	2,181,227	4,728,896
Additions	-	1,636,409	236,575	185,354	2,058,338
Disposals	-	(196,702)	(28,452)	(24,406)	(249,560)
Balance at 30 June 2013	237,927	2,563,717	1,393,855	2,342,175	6,537,674
Accumulated Depreciation					
Balance at 1 July 2012	147,405	188,067	656,734	1,022,095	2,014,301
Depreciation expense	18,055	836,698	163,815	288,982	1,307,550
Disposals	-	(53,573)	(9,530)	(2,640)	(65,743)
Balance at 30 June 2013	165,460	971,192	811,019	1,308,437	3,256,108
Net carrying amount					
As at 30 June 2013	72,467	1,592,525	582,836	1,033,738	3,281,566

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

Notes to the Financial Statements for the year ended 30 June 2014 (continued)

13. Intangible assets

	Consolidated 2014 $	Consolidated 2013 $
Goodwill allocated to:		
Secured operations	10,294,854	10,294,854
Unsecured operations	5,068,633	5,068,633
Total	15,363,487	15,363,487

Background

Goodwill is allocated for impairment testing purposes to two cash generating units (CGU's), being the secured operations and unsecured operations. The recoverable amount of the cash generating unit is based on a number of key assumptions as detailed below.

Due to the growth of the business the directors have reorganised the reporting structure and monitor operations on the basis of secured lending, unsecured lending and rental operations (not a material segment). In accordance with the requirement of accounting standard AASB 136 Impairment of Assets the reallocation of goodwill between the new segments was based on a relative value approach.

Impairment tests and key assumptions used

As at 30 June 2014, the directors have approved the 2015 Budget and the assumptions that it is based as reasonable taking into consideration the historic performance of the company. Therefore directors concluded that there is no impairment of goodwill (2013: $nil).

The following are the key assumptions used in testing the recoverable value of goodwill:

a. Secured operations

Cash flows

The value in use calculations use cash flow projections based on past operating results and budgets approved by the directors for the 30 June 2015 financial year extended over a further four year period, in total covering a five-year period and a terminal value. The 30 June 2015 financial year budget allows a growth in operating expenses of 19% and an increase in revenue of 22%, which is supported by the increase in funding during the 2014 financial year.

Growth rate

The terminal value growth used to extrapolate cash flows beyond the five year period is 2.5%. Projected revenue growth beyond the one-year period has been extrapolated using a 4% per annum growth rate. Projected operating costs beyond the one-year period have been extrapolated using a 2.5% to 4% growth rate.

Discount rate

The discount rate applied to the cash flow projections is 18.54% pre tax. The discount rate is derived using the capital asset pricing model by estimating the company's weighted average cost of capital with appropriate adjustment for cost of equity, risk free rate of interest, market risk premium and the beta of GICS Class 17 – Diversified Financials sector.

Based on the above, the recoverable amount of the secured operations division exceed the carrying amount by $76,789,207.

b. Unsecured operations

Cash flows

The value in use calculations use cash flow projections based on past operating results and budgets approved by the directors for the 30 June 2014 financial year extended over a further four year period, in total covering a five-year period and a terminal value. The 30 June 2014 financial year budget allows for a growth in operating expenses of 17% and an increase in revenue of 15%.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
13. Intangible assets (continued)
Impairment tests and key assumptions used (continued)
b. Unsecured operations (continued)

Growth rate

The terminal value growth used to extrapolate cash flows beyond the five year period is 2.5%. Projected revenue growth beyond the one-year period have been extrapolated using a steady 4% per annum growth rate. Projected operating costs beyond the one-year period have been extrapolated using a 2.5% to 4% growth rate.

Discount rate

The discount rate applied to the cash flow projections is 18.54% pre tax. The discount rate is derived using the capital asset pricing model by estimating the company's weighted average cost of capital with appropriate adjustment for cost of equity, risk free rate of interest, market risk premium and the beta of GICS Class 17 – Diversified Financials sector.

Based on the above, the recoverable amount of the unsecured operations division exceed the carrying amount by $59,319,124.

c. 2014 assumptions

In 2013 the key assumptions used to calculate cash flows were a growth in operating expenses of 30% in 2014 and in the following years of 2.5% to 3.5%, increase of revenue of 39% in 2014 and in the following years of 2.5% to 5%.

Management believe that any reasonable possible change in the key assumptions in which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU's.

14. Trade and other payables

	Consolidated 2014 $	Consolidated 2013 $
Current		
Trade and other payables	2,292,740	1,207,901

Trade creditors and other creditors are non-interest bearing liabilities. Trade creditor payments are processed once they have reached 30 days from the date of invoice for electronic funds transfer payments or cheque payment or 30 days from the end of the month of invoice for other payments. No interest is charged on trade payables.

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

15. Provisions

Current		
Employee benefits – current (i)	806,255	511,762
Lease make good	74,970	100,000
	881,225	611,762
Non-Current		
Employee benefits – non-current	86,823	53,915

(i) The current provision for employee benefits includes accrued annual leave and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount of the provision of $806,255 (2013: $511,762) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the group does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months. The current leave obligations expected to be settled after 12 months is $86,823,(2013: $131,374)

Lease make good

The provision represents the present value of the estimated costs to make good the premises leased by the consolidated entity at the end of the respective lease terms.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
15. Provisions (continued)

Movement in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

Lease make good	**Consolidated 2014 $**	**Consolidated 2013 $**
Carrying amount at start of the year	100,000	-
Additional provisions recognised	74,970	100,000
Amounts used	(58,620)	-
Amounts reversed	(41,380)	-
	74,970	100,000

16. Borrowings

Current		
Bank overdraft	-	122,181
-Borrowings		
-Related parties (Note 28)	-	355,000
-Others	-	2,575,000
	-	2,930,000
	-	3,052,181
Non Current		
Bonds		
-Bonds face value	30,000,000	-
-Unamortised bond issue and option costs	(660,000)	-
	29,340,000	-

Fair value disclosures

The fair value of current borrowings approximates their carrying amount as the impact of discounting is not significant.

Fair values of long term financial liabilities are based on cash flows discounted using fixed effective market interest rates available to the Group. Finance costs of $660,000 have been recognised to be amortised over the life of the bonds, which in effect discounts the $30,000,000 face value of the bonds to $29,340,000.

No fair value changes have been included in profit or loss for the period as financial liabilities are carried at amortised cost in the Statement of Financial Position.

Bank loans

Bank liabilities are denominated in Australian dollars. The bank facility is secured by a floating charge over the Group's assets.

Bank overdraft, bank loans and bills of exchange when utilised, bear interest at commercially negotiated rates. All bank borrowings are subject to adherence to gearing and interest covenants and are subject to annual review. The loan bears interest at the bank's prime rates plus a margin payable monthly in arrears.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
16. Borrowings (continued)

Other borrowings

Other borrowings were funds at call repayable in 90 days at a fixed interest rate of 12% to 12.5%.

Bonds

On the 14 May the first tranche of the bond issue was made of $15,000,000 and the second tranche was issued on 30 June 2014 of $15,000,000. The bonds have a maturity of 4 years and an interest rate of 9% paid quarterly. There is a general security deed over all the company's assets. The initial subscribers under the bond issue will receive 50 options for every $100 invested. The exercise price of the options is $1.30 and can be exercised any time prior to maturity date.

Financing facilities available

	Consolidated 2014 $	Consolidated 2013 $
Total facilities		
- Bank overdraft	1,000,000	1,000,000
- Bank loans and hire purchase facilities	-	-
	1,000,000	1,000,000
Facilities used at reporting date		
- Bank overdraft	-	122,181
- Bank loans and hire purchase facilities	-	-
	-	122,181
Facilities unused at reporting date		
- Bank overdraft	1,000,000	877,819
- Bank loans and hire purchase facilities	-	-
	1,000,000	877,819
Total facilities		
- Facilities used at reporting date	-	122,181
- Facilities unused at reporting date	1,000,000	877,819
	1,000,000	1,000,000

Assets pledged as security

Non-current		
Floating charge		
- Plant and equipment	2,051,323	3,281,566
Total assets pledged as security	2,051,323	3,281,566

Under the arrangement of the hire purchase and bank borrowing facilities, all property, plant and equipment of the Group has been pledged as security. The holder of the security does not have the right to sell or re-pledge the assets.

Details of the Groups risk exposure arising from borrowings are provided in Note 25.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)

17. Issued capital

	Consolidated 2014 $	Consolidated 2013 $
Fully paid ordinary shares	71,195,425	45,097,588

(a) Movement in shares on issue

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

	Consolidated 2014		Consolidated 2013	
	Number of ordinary shares	Value $	Number of ordinary shares	Value $
Balance at the beginning of the financial year	78,222,432	45,097,588	48,833,201	28,902,114
Issued during the year:				
Issue of shares to public at $0.40 each			11,800,000	4,720,000
Issue of shares to public at $1.00 each	12,000,000	12,000,000	-	-
Issue of shares to public at $0.70 each	-	-	10,000,000	7,000,000
Issue of shares to public at $0.85 each	14,000,000	11,900,000	-	-
Issue of shares to public at $0.9954 each	1,615,349	1,607,918	-	-
Issue of shares to shareholders under the Share Purchase Plan at $0.70 each	-	-	5,941,712	4,159,100
Share issue costs	-	(996,209)	-	(662,498)
Deferred tax credit	-	298,863	-	198,749
Issue of shares due to exercise of options at $0.70 each	200,000	140,000	-	-
Issue of shares to employees at $1.00 each	49,000	49,000	-	-
Issue of shares to employees at $0.68 each	-	-	20,888	14,102
Issue of shares on DRP	1,100,546	1,098,265	1,626,631	766,021
Balance at end of financial year 30 June	107,187,327	71,195,425	78,222,432	45,097,588

(b) Movements in share options

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

	2014 Number	2013 Number
Balance at 1 July	3,550,000	800,000
Granted during the financial period	4,500,000	2,950,000
Exercised during the financial period	(200,000)	-
Lapsed during the financial period	-	(200,000)
Balance at the end of the financial period	7,850,000	3,550,000

(c) Terms and conditions of issued capital

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

The company does not have limited authorised capital and issued shares have no par value.

Options

The company has 7,850,000 options on issue at the end of the financial year. The holders of the options are not permitted to exercise those options until after the vesting date. Subsequent to balance date an additional 15,000,000 options have been issued to bondholders.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)

18. Reserves

	Consolidated 2014 $	Consolidated 2013 $
Share option reserve		
Balance at 1 July	55,769	26,205
Charged to expense for the year	131,295	39,344
Lapsed options transferred to accumulated profits	-	(9,780)
Balance at 30 June	187,064	55,769
Foreign exchange reserve		
Balance at 1 July	-	258
Charged to profit and loss for the year	-	(258)
Balance at 30 June	-	-
Total Reserves	187,064	55,769

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

The foreign exchange reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars.

19. Statement of cash flows

(a) Reconciliation of cash

Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash at bank and on hand	23,679,063	4,564,100
Bank overdraft	-	(122,181)
Cash at bank and on hand	23,679,063	4,441,919

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

Net Profit after tax	7,831,643	3,647,867
Non cash items:		
Depreciation and amortisation expense	1,168,665	1,307,550
Impairment of property, plant and equipment	190,741	-
Profit on sale of controlled entity	-	(86,987)
Loss on sale of property, plant and equipment	387,972	18,837
Bad and doubtful debts allowance	2,923,941	154,150
Foreign exchange difference	-	(258)
Interest capitalised	(660,000)	-
Share based payments	131,295	259,344
Changes in Movements in assets and liabilities:		
(Increase)/decrease in assets		
Trade and other receivables	(2,877,796)	(2,426,465)
Deferred tax assets	(1,102,159)	(327,601)
Increase/(decrease) in liabilities		
Trade and other payables	962,212	87,383
Current tax payable	2,208,548	313,112
Provisions	402,372	216,529
Cash flows from operations	11,567,434	3,163,461

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
19. Statement of cash flows (continued)

(c) Non cash financing and investment activities:

There were no non cash financing and investing activities during the year.

20. Business combinations

The company has not acquired or divested any business in the period.

The company divested its shares in Money3 Singapore Pte Ltd on 1 July 2012 for net proceeds of $16,866.

Details of the disposal are as follows;

	Consolidated 2013 $
Net fair value of net liabilities at date of disposal	(135,103)
Minority Interest & reserves at date of disposal	64,982
Acquisition-date fair value of the total consideration transferred	(70,121)
Net amount receivable	16,866
Profit on disposal of controlled entity	86,987

21. Significant matters subsequent to the reporting date

On the 21 July 2014, the company issued 15,000,000 options with an exercise price of $1.30 to bondholders. For each $100 bond the bondholder is entitled to 50 options, which can be exercised at any time until the expiry date of 16 May 2018. Additional information pertaining to the bonds can be found in note16.

No other matters or circumstances has arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Company, the results or the state of affairs of the Company in future years.

22. Segment information

A segment is a component of the consolidated entity that engages in business activities to provide products or services within a particular economic environment. Management has identified two distinct operating segments that are used to make decisions on the allocation of resources and assess their performance. The two segments are as follows:

Secured operations

This segment provides lending facilities based on the provision of an underlying asset as security.

Unsecured operations

This segment provides services and lending facilities without the provision of an underlying asset as security.

Segment profit earned by each segment without the allocation of central administration costs and directors' salaries, interest income and expense in relation to corporate facilities, bad debt collection and tax expense. This is the measure reported to the Managing Director for the purpose of resource allocation and assessment of segment performance.

The unallocated assets include various corporate assets held at a corporate level that have not been allocated to the underlying segments.

The unallocated liabilities include various corporate liabilities held at a corporate level that have not been allocated to the underlying segments.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
22. Segment information (continued)

Consolidated – 2014	Secured	Unsecured	Segment Total	Eliminations /Unallocated	Total
	$	$	$	$	$
Revenue					
Revenue from continuing operations	14,516,797	28,868,166	43,384,963	-	43,384,963
Interest revenue	-	-	-	122,745	122,745
Other revenue	-	-	-	-	-
Total Revenue	14,516,797	28,868,166	43,384,963	122,745	43,507,708
EBITDA	9,479,453	9,403,747	18,883,200	(5,707,048)	13,176,152
Depreciation, amortisation, and impairment					(1,359,406)
Finance costs					(978,018)
Interest revenue					122,745
Profit before income tax					10,961,473
Income Tax					(3,129,830)
Profit after income tax					7,831,643
Assets					
Segment assets	50,682,262	42,309,188	92,991,450	(1,542,610)	91,448,840
Unallocated assets:					
Cash and cash equivalents					22,159,914
Property, plant and equipment					928,171
Other receivables					37,517
Other assets					209,811
Deferred tax assets					1,925,958
Total assets					116,710,211
Liabilities					
Segment liabilities	30,855,793	17,441,586	48,297,379	(46,708,316)	1,589,063
Unallocated assets:					
Trade and other payables					703,677
Current tax payables					3,013,825
Provisions					968,048
Borrowings					29,340,000
Total liabilities					35,614,613

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
22. Segment information (continued)

Consolidated – 2013	**Secured**	**Unsecured**	**Segment Total**	**Eliminations /Unallocated**	**Total**
	$	**$**	**$**	**$**	**$**
Revenue					
Revenue from continuing operations	6,207,998	16,537,445	22,745,443	-	22,745,443
Interest revenue	-	-	-	41,683	41,683
Other revenue	-	-	-	86,987	86,987
Total Revenue	6,207,998	16,537,445	22,745,443	128,670	22,874,113
EBITDA	3,909,736	5,430,555	9,334,291	(2,481,892)	6,852,399
Depreciation, amortisation, and impairment					(1,307,550)
Finance costs					(358,058)
Interest revenue					41,683
Profit before income tax					5,228,474
Income Tax					(1,580,607)
Profit after income tax					3,647,867
Assets					
Segment assets	33,068,643	20,955,667	54,024,310	(2,335,481)	51,688,829
Unallocated assets:					
Cash and cash equivalents					3,393,843
Property, plant and equipment					990,890
Other receivables					37,503
Other assets					310,791
Deferred tax assets					823,799
Total assets					57,245,655
Liabilities					
Segment liabilities	16,869,686	8,855,166	25,724,852	(25,448,992)	275,860
Unallocated assets:					
Trade and other payables					932,041
Current tax payables					1,104,140
Provisions					665,677
Borrowings					3,052,181
Total liabilities					6,029,899

Notes to the Financial Statements for the year ended 30 June 2014 (continued)

23. Contingent liabilities

The Company has no contingent liabilities as at 30 June 2014 (2013: Nil).

24. Controlled entities

The consolidated financial statements incorporate the assets and liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1 (d).

Controlled entities of Money3 Corporation Limited (parent entity)

Name	Country of Incorporation	Percentage of equity held by the consolidated entity		Acquisition Date	Investment	
		2014	2013		2014 $	2013 $
Money3 Loans Pty Ltd (formerly Money3 Ballarat Pty Ltd)	Australia	100	100	1 November 2006	2	2
Money3 Services Pty Ltd (formerly Money3 Dandenong Pty Ltd)	Australia	100	100	1 November 2006	2	2
Money3 Franchising Pty Ltd	Australia	100	100	16 April 2007	2	2
Money3 Branches Pty Ltd (formerly Money3 Reservoir Pty Ltd)	Australia	100	100	1 November 2006	2	2
Money3 Wodonga Pty Ltd	Australia	100	100	13 March 2008	2	2
Antein Pty Ltd (Glenroy)	Australia	100	100	1 July 2006	3,100,500	3,100,500
Bellavita Pty Ltd (Northcote)	Australia	100	100	1 July 2006	3,037,500	3,037,500
Hallowed Holdings Pty Ltd (Clayton)	Australia	100	100	1 July 2006	2,970,000	2,970,000
Kirney Pty Ltd (Coburg)	Australia	100	100	1 July 2006	483,750	483,750
Nexia Pty Ltd (Werribee)	Australia	100	100	1 July 2006	1,665,000	1,665,000
Pechino Pty Ltd (Frankston)	Australia	100	100	1 July 2006	1,687,500	1,687,500
Salday Pty Ltd (St Albans)	Australia	100	100	1 July 2006	483,750	483,750
Tannaster Pty Ltd (Moonee Ponds)	Australia	100	100	1 July 2006	2,898,000	2,898,000
Tristace Pty Ltd (Geelong)	Australia	100	100	1 July 2006	1,741,500	1,741,500
Australian Car Leasing Pty Ltd	Australia	100	-	3 May 2013	1	-
Money3 Singapore Pte Ltd	Singapore	-	-	1 July 2010	-(i)	-(i)
Total					**18,067,511**	**18,067,510**

All entities operated solely in their place of incorporation.

(i) The company divested its shares in Money3 Singapore Pte Ltd on 1 July 2012.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to are described below. There have been no changes to these risks since the previous financial year.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)

25. Financial instruments

The Group is exposed to a variety of financial risks through its use of financial instruments.

This note discloses the Group's objectives, policies and processes for managing and measuring these risks.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Board of Directors ensures that the Group maintains a competent management structure capable of defining, analysing, measuring and reporting on the effective control of risk inherent in the Group's underlying financial activities and the instruments used to manage risk. Key financial risks including interest rate risk and credit risk are reviewed by management on a regular basis and are communicated to the board so that it can evaluate and impose its oversight responsibility. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Specific risks

- Market risk (including foreign currency risk, interest rate risk and price risk)
- Credit risk
- Liquidity risk

Financial assets / liabilities used

The principal categories of financial assets / liabilities used by Money3 Corporation Limited are:

- Loans and other receivables
- Cash at bank
- Borrowings
- Trade and other payables

Objectives, policies and processes

The risk management policies of Money3 Corporation Limited seek to mitigate the above risks and reduce volatility on the financial performance of the Group. Financial risk management is carried out centrally by the Finance Department of Money3 Corporation Limited.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The group overall strategy remains unchanged from 2013.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 16, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Notes 17,18 and 4 respectively. None of the Group's entities is subject to externally imposed capital requirements. Under the arrangement of the hire purchase and bank borrowing facilities, all property, plant and equipment of the Group has been pledged as security. The holder of the security does not have the right to sell or re-pledge the assets.

Gearing ratio

The Group's Board of Directors reviews the capital structure on a semi-annual basis. As a part of this review the board considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the board the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
25. Financial instruments (continued)
Capital risk management (continued)

	Note	Consolidated 2014 $	Consolidated 2013 $
Financial assets			
Debt *(a)*	16	(29,340,000)	(3,052,181)
Cash and cash equivalents	9	23,679,063	4,564,100
Net cash/(debt)		(5,660,937)	1,511,919
Equity – issued capital	17	71,195,425	45,097,588
Debt to equity ratio		41.2%	6.7%

(a) Debt is defined as long-term and short-term borrowings, as detailed in Note 16.

(a) Market risk

(i) Foreign currency risk

Money3 Corporation Limited has no significant exposure to foreign currency risk.

(ii) Interest rate risk

The company's exposure to market interest rates relates primarily to the company's short term deposits held, deposits at call and borrowings. The interest income earned or paid on these balances can vary due to interest rate change.

Money3 Corporation Limited does not have a significant interest rate risk as its long term borrowing are at a fixed rate.

(iii) Price risk

Price risk is the risk that future cashflows derived from financial instruments will be changed as a result of a market price movement, other than interest rates. The company and group are not exposed to any material price risk.

(b) Credit risk

Credit risk is managed on the Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to outstanding receivables, net of any allowance for impairment losses, as disclosed in the Statement of Financial Position and notes to the financial report.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. With the exception of its dealings with core customers, the consolidated entity has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The consolidated entity measures credit risk on a fair value basis.

Money3's core customers are financially challenged and generally have a bad credit history and are lacking in budgeting ability. Money3 obtains security on loans greater than $5,000.

The company assesses credit risk by reference to historical information such as existing customers and whether loans are secured or unsecured. At balance date, loans neither past due or impaired are $63,522,282 (2013:$26,028,079), with $43,591,938 representing secured loans (2013:$19,680,815) and $19,960,344 representing unsecured loans (2013:$6,347,264)

The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics, given the number and diversity of debtors.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
25. Financial instruments (continued)
Capital risk management (continued)
(b) Credit risk analysis (continued)

The management of Money3 manages credit risk by adopting the procedures and policies which:

- Assess each application on the borrower's capacity to service the loan;
- Match repayment dates to borrowers pay dates and pay cycles;
- Lend for short term;
- Where possible, obtain security on loans greater than $5,000;
- Require repayment of loans by direct debit or pay deductions or during settlements;
- Implement prompt follow up when a repayment is missed;
- Have the ability to adjust repayments when customers face further financial difficulties; and
- Align debt collection processes with the Consumer Credit Code.

This strategy is consistent with the prior year.

(c) Liquidity risk analysis

Liquidity risk is the risk that the company will not be able to pay their debts as and when they fall due. The company has borrowings and finance lease liability; and the directors ensure that the cash on hand is sufficient to meet the commitments of the company and group at all times.

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. This strategy is consistent with the prior year.

Liquidity risk includes the risk that, as a result of our operational liquidity requirements Money3:

- will not have sufficient funds to settle a transaction on the due date;
- will be forced to sell financial assets at a value which is less than what they are worth; and
- may be unable to settle or recover a financial asset at all.

To help reduce these risks, where possible Money3's strategy is to borrow long term and lend short term, maintain an overdraft facility and adequate cash reserves. The ratio of current borrowings to Current Debtors is considered to be low.

Maturity of financial liabilities

The Group holds the following financial instruments. Amounts presented below represent the future undiscounted principal and interest cash flows.

2014	**Consolidated**			
	< 1 year $	**1-5 years $**	**> 5 years $**	**Total $**
Financial Liabilities:				
Borrowings	-	29,340,000	-	29,340,000
Trade and other payables	2,292,740	-	-	2,292,740
Total Financial Liabilities	2,292,740	29,340,000		31,632,740

2013	**Consolidated**			
	< 1 year $	**1-5 years $**	**> 5 years $**	**Total $**
Financial Liabilities:				
Borrowings	3,126,212	-	-	3,126,212
Trade and other payables	1,207,901	-	-	1,207,901
Total Financial Liabilities	4,334,113	-	-	4,334,113

The above contractual maturities reflect the gross cash flows, which may differ to the carrying values of the liabilities at the reporting date.

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
25. Financial instruments (continued)
Maturity of financial liabilities (continued)

Also affecting liquidity are cash at bank and non interest bearing receivables and payables. Liquidity risk associated with these financial instruments is represented by the carrying amounts as shown above.

d) Fair value estimation

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their net fair values.

The net fair values of financial assets and financial liabilities are determined as follows:

- the net fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the net fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow theory.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

26. Leases

Operating leases

Operating leases relate to branch premises which have lease terms of up to 5 years with in some instances an unexercised option to extend for a further 5 years. All operating leases contain market rent review clauses when an option to renew is exercised.

Hire purchase commitments relate to the company's fleet of motor vehicles.

	Consolidated 2014 $	**Consolidated 2013 $**
Lease expenditure commitments		
Operating leases (non-cancellable)		
Minimum lease payments		
- not later than one year	2,353,933	1,459,059
- later than one year but not later than five years	2,694,802	2,629,978
- more than five years	-	-
Total minimum payments	5,048,735	4,089,037

Leases as lessor

The consolidated entity leases out its rental assets under operating leases. The future minimum lease payments under non-cancellable operating leases are as follows:

Minimum lease payments		
- not later than one year	109,519	1,896,453
- later than one year but not later than five years	40,893	860,295
Total minimum payments	150,412	2,756,748

Notes to the Financial Statements for the year ended 30 June 2014 (continued)

27. Auditors remuneration

Amounts received or due and receivable by the auditors for:	Consolidated 2014 $	Consolidated 2013 $
Auditing or reviewing the financial reports	134,695	119,839
Other services	-	-
Total remuneration of auditors	134,695	119,839

28. Related party disclosures

(a) Parent and ultimate controlling entity

The parent and ultimate controlling entity is Money3 Corporation Limited which is incorporated and domiciled in Australia.

(b) Key management personnel's remuneration

The aggregate compensation of the key management personnel of the Group is set out below:

Short term employee benefits	915,069	681,068
Post employment benefits	68,997	67,013
Share based payments	116,412	35,944
Total	1,100,478	784,025

(c) Equity interests in controlled entities

Details of the percentage of ordinary shares held in controlled entities are disclosed in Note 24 to the financial statements.

(d) Loan disclosures

The Company had an unsecured interest bearing loan of nil (2013: $155,000) from Mr Geoffrey Baldwin, the father of Mr Scott Baldwin (executive director) and brother of Mr Christopher Baldwin (non-executive director). The Company had an unsecured interest bearing loan of nil (2013: $50,000) from Brian Baldwin, the brother of Mr Scott Baldwin and nephew of Mr Christopher Baldwin. The Company had an unsecured interest bearing loan of nil (2013: $50,000) from Graeme Baldwin, the uncle of Mr Scott Baldwin and brother of Mr Christopher Baldwin. The Company has an unsecured interest bearing loan of nil (2013: $100,000) from Simon Baldwin, the cousin of Mr Scott Baldwin and nephew of Mr Christopher Baldwin. The Company had an unsecured interest bearing loan of nil (2013: $155,000) from G&V Livestock Pty Ltd, the proprietor is the uncle of Mr Scott Baldwin (executive director) and brother of Mr Christopher Baldwin (non-executive director). The Company had an unsecured interest bearing loan of nil (2013: $600,000) from Mr Robert Bryant (executive director). The Company had an unsecured interest bearing loan of nil (2013: $350,000) from Mr Geoffrey Sam (chairman and non-executive director). The Company had an unsecured interest bearing loan of nil (2013: $200,000) from Mrs Vanessa Baldwin, wife of Mr Scott Baldwin (executive director).

These loan transactions are made on normal commercial terms and conditions and at market rates. Interest is charged at a commercial rate. Refer note 28(e)

The Company issued bonds to the value of $250,000 (2013: nil) to Mr Geoffrey Baldwin, the father of Mr Scott Baldwin (executive director) and brother of Mr Christopher Baldwin (non-executive director). The Company issued bonds to the value of $50,000 (2013: nil) to Brian Baldwin, the brother of Mr Scott Baldwin and nephew of Mr Christopher Baldwin.

These bonds are made on normal commercial terms and conditions and at market rates. Interest is charged at a commercial rate of 9%.

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

Notes to the Financial Statements for the year ended 30 June 2014 (continued)
28. Related party disclosures (continued)

(e) Other transactions with key management personnel or their related entities

The financial statements include the following items of expenses that resulted from transactions other than compensation or equity holdings with key management personnel or their related entities:

	Consolidated 2014 $	Consolidated 2013 $
Interest paid to Geoffrey Baldwin	23,928	12,019
Interest paid to Brian Baldwin	5,260	6,010
Interest paid to Simon Baldwin	11,014	8,770
Interest paid to G&V Livestock Pty Ltd	1,299	3,992
Interest paid to Kang Tan	-	7,934
Interest paid to Geoff Sam	-	29,167
Interest paid to Robert Bryant	518	11,475
Interest paid to Vanessa Baldwin	-	13,665
	42,019	93,032

Transactions between the consolidated entity and these parties are conducted on normal commercial terms.

(f) Transactions with other related parties

Vaughan Webber is an employee of Wilson HTM with which Money3 has engaged to place equity, underwrite dividends and place bonds. Wilson HTM has been paid for services of $2,048,200.

Marian Harris is an employee of Money3 and is also the wife of Mr Craig Harris.

All transactions with related parties are at arm's length on normal commercial terms and conditions and at market rates.

There are no other related party transactions

Notes to the Financial Statements for the year ended 30 June 2014 (continued)

29 Parent entity financial information

a) Summary financial information

The financial position and results of Money3 Corporation Ltd, the parent entity, are as follows:

Statement of financial position

	Company 2014 $	Company 2013 $
Total current assets	**22,348,343**	**3,919,762**
Total assets	**108,950,862**	**54,372,702**
Total current liabilities	**5,986,242**	**5,357,071**
Total liabilities	**35,413,065**	**5,410,986**
Net assets	**73,537,797**	**48,961,716**
EQUITY		
Issued capital	72,495,941	46,398,104
Share option reserves	187,064	55,769
Retained earnings	854,792	2,507,843
Total equity	**73,537,797**	**48,961,716**

Statement of profit or loss and other comprehensive income

Profit for the period from continuing operations	2,527,882	3,328,613
Total comprehensive income	2,527,882	3,328,613

b) Guarantees entered into by the parent entity

The parent entity has not entered into guarantees for any of its subsidiaries.

c) Contingent liabilities of the parent entity

The parent entity has no contingent liabilities at the time of the report.

d) Contractual commitments by the parent entity

The parent entity has no contractual commitments at the time of the report.

A. ASX Additional Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current as at 18 August 2014.

(a) Distribution of equity securities

The number of shareholders, by size of holding, in each class of share are:

Distribution of Shareholdings	Ordinary Shares		Unlisted Options	
	Number of Holders	Number of Shares	Number of Holders	Number of Options
100,001 and Over	104	87,041,000	8	7,850,000
10,001 to 100,000	493	16,592,976	-	-
5,001 to 10,000	264	2,009,755	-	-
1,001 to 5,000	495	1,445,789	-	-
1 to 1,000	187	98,807	-	-
Total	1,543	107,187,327	8	7,850,000
The number of shareholders holding less than a marketable parcel of shares are	72	6,350		

(b) Twenty largest holders of quoted shares are:

Name of Holder	Listed Ordinary Shares No. of Shares	% of Holding
1. UBS Nominees Pty Ltd	9,072,577	8.46%
2. Citicorp Nominee Pty Ltd	8,437,676	7.87%
3. Hosking Financial Investments Pty Ltd <Hosking Investment A/C>	7,473,240	6.97%
4. Rocsange Pty Ltd <S Superannuation Fund A/C>	7,440,535	6.94%
5. National Nominees Limited	4,609,979	4.30%
6. RBC Investos Services Australia Nominees Pty Ltd <PICREDIT>	4,330,981	4.04%
7. Platey Pty Ltd	3,631,429	3.39%
8. Rubi Holdings Pty Ltd <John Rubino S/F A/C>	3,610,000	3.37%
9. Belstock Pty Ltd	2,545,288	2.37%
10. Picton Cove Pty Ltd Cranchi Pty Ltd.	2,163,785	2.02%
11. Cranchi Pty Ltd	2,000,000	1.87%
12. Thirty-fifth Celebration Pty Ltd - <JC McBain Super Fund>	1,982,704	1.85%
13. Matooka Pty Ltd <Mako A/C>	1,828,146	1.71%
14. Baldwin Brothers Investments Pty Ltd <Inspiration A/C>	1,463,533	1.37%
15. Mr Kang Hong Tan & Mrs Hwea Chong Tan <Tan Superannuation Fund A/C>	1,343,768	1.25%
16. RBC Investor Services Australia Nominees Pty Limited <Bkcust A/C>	1,179,444	1.10%
17. Quickdou Pty Ltd	1,000,000	0.93%
18. Aust Executor Trustees Ltd <DS Capital Growth Fund>	942,360	0.88%
19. Warbont Nominees Pty Ltd <accumulation Entrepot A/C>	936,126	0.87%
20. Ninth Nell Pty Ltd >	930,445	0.87%
Top twenty shareholders	**66,922,016**	**62.43%**
Total issued capital	**107,187,327**	**100.00%**

(c) Substantial shareholders

The names of the substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	No. of Shares	% Held
Pie Fund Management	8,357,923	7.80%
Hosking Financial Investments Pty Ltd	7,473,240	6.97%
Roscange Pty Ltd	7,440,535	6.94%
Thorney Opportunities Ltd	6,908,260	6.45%

(d) Voting rights

The company only has ordinary shares on issue.

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

(e) Option holders information

The Company has issued (or may issue in the future) Options over unissued capital. The Company has a total of 7,850,000 (2013:3,550,000) options on issue as follows:

Director Options

The Company has issued 3,000,000 options during the year (2013: 1,000,000) to the Directors (or their nominees) ("Director Options").

	Issue Date	Options Granted	Exercise Price	Expiry Date	Vesting Date
Scott Baldwin	27 November 2009	200,000	$0.85	31 December 2014	31 December 2014
Scott Baldwin	27 November 2009	200,000	$1.00	31 December 2015	31 December 2014
Scott Baldwin	30 September 2012	1,000,000	$0.50	16 November 2017	16 November 2015
Scott Baldwin	30 November 2013	1,000,000	$1.50	30 November 2018	30 November 2016
Robert Bryant	30 November 2013	2,000,000	$1.50	30 November 2018	30 November 2016

- The options vest in full when an event occurs which give rise to a change in control of the Company.
- If the Company after having granted these options restructure its issued share capital, ASX Listing Rules will apply to the number of Shares issued to the option holder on exercise of an option.
- Options will not be listed on ASX but application will be made for quotation of the shares resulting from the exercise of the options.
- On issue of the resulting shares, they will rank equally with ordinary shares on issue at that time.

(f) On-market buy-back

There is no current on-market buy-back of the Company's securities.