iCash Payment Systems Limited
ABN 87 061 041 281

ASX RELEASE
31 August 2010

Company Announcements
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Via e-lodgement

APPENDIX 4E
Preliminary Final Report 30 June 2010
&
OUTLOOK STATEMENT

The Board and Management are pleased to release the Appendix 4E and Preliminary Final Report for the year ended 30 June 2010.

The foundation of our success has been sound strategy built on vertical integration and thorough planning to manage sector risk and reduce margin erosion. Although pleasing, our result was tempered by aggressive write-downs of inventory and R&D in Korea as well as the delay of some major sales transactions that will now fall into the next reporting period.

Whilst our Australian business is strong, it remains our strategy to expand across the Asian region after establishing our credentials in Korea. We have stated several times, most recently on August 2 this year, that our Korean subsidiary, Neo ICP, had maintained the number one position in the non-bank ATM supply sector in Korea. We also stated in May this year that our factory utilisation was near optimum with output rising from 160 regular units per month at the end of 2009 to over 600 high value units per month. Today, NeoICP factory output has marginally increased to around 620 units per month.

Last November we announced our successful bid for a major supply contract by Lotte Group in Korea for 1,500 units, of which, over 900 recycling ATMs have already been successfully deployed. Since then, Lotte Group has made a number of major retail group acquisitions and now potentially offers 3,500 new and additional locations to supply in Korea alone.

NeoICP has recently secured major supply agreements with Korean convenience store chain Family Mart and Korean discount retailer E-mart rounding out most of the major retail groups in Korea.

In Australia, we will continue to focus on using technology to secure and expand our market share and prise business away from other deployers. We also intend to introduce new products to open up markets currently not accessed by us.

Since our last AGM, we committed to developing strategies that better communicate our key messages to the marketplace. The engagement of organisations such as

Financial News Network has ensured that our communications are directly broadcast to literally hundreds of thousands investor terminals and major media groups.

The Board, with the assistance of independent experts, is currently reviewing how best to exploit the benefit of our Korean subsidiary. The Board will provide the market with information regarding the outcome, once complete.

The traction we are gaining together with the delivery of measurable track record is gradually overcoming the share price drag and scepticism that an Australian company is succeeding in Asia.

Our establishment of key regional relationships and changes to core business models will drive the business strongly for the foreseeable future and increase our recurring revenue streams. Economic conditions may deliver opportunistic market growth through acquisitions as our foreseeable future is solidly underpinned.

A strong pipeline of qualified opportunities with regard to our high value ATMs and BackOffice Machine orders ensures the continuation of NeoICP's optimum factory utilisation. Coupled with the continued growth in our Australian operations, we expect our 2010/11 profit to be a substantial increase over 2009/10. This is despite our view that the global economy will continue to struggle and may yet retract.

I wish to thank our management team for their unqualified support and dedication to achieving the best possible outcomes for all shareholders.

We are looking forward to continued strong growth during 2011 and delivering increased shareholder value and thank investors for their continued support.

James Manny
Executive Chairman

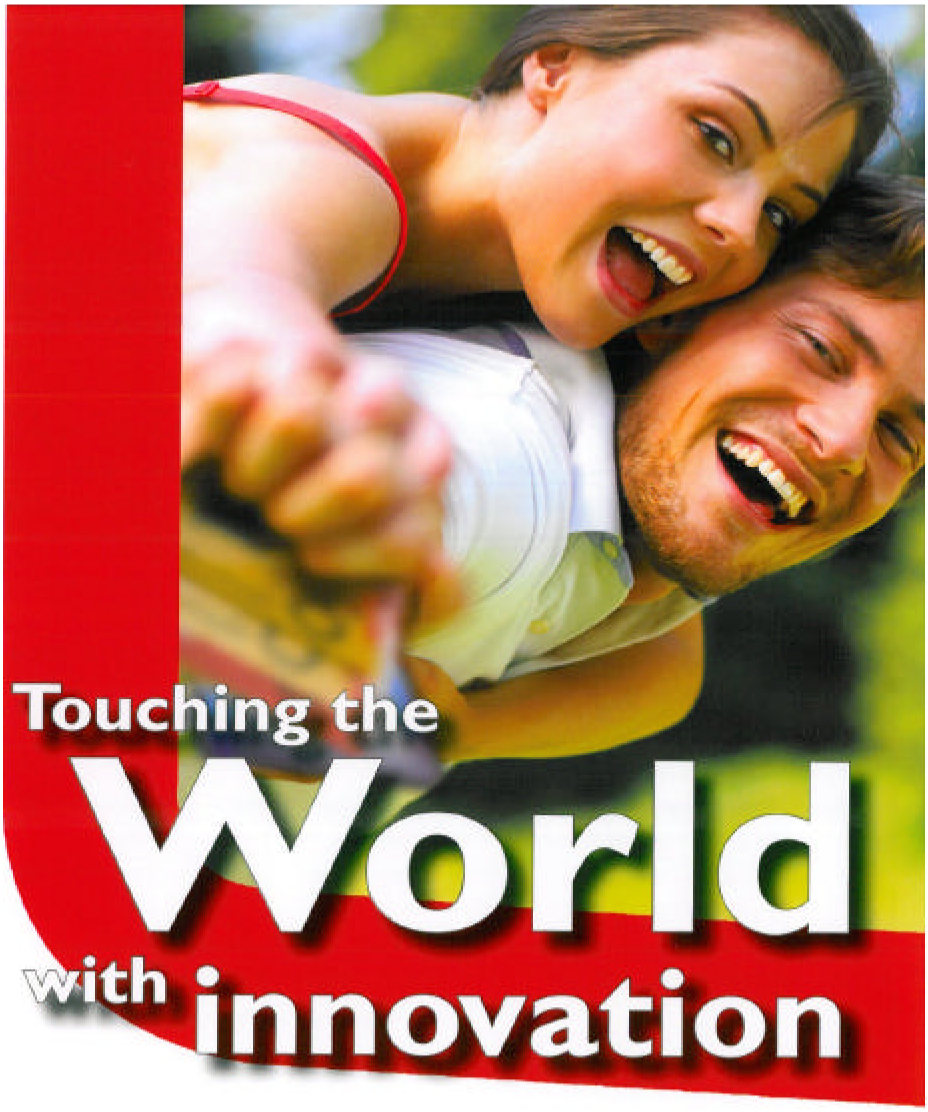
Cautionary Note: *This release may contain forward-looking statements that are based upon management's expectations and beliefs in regards to future events. These statements are subjected to risk and uncertainties that might be out of control of iCash Payment Systems Limited and may cause actual results to differ from the release. iCash Payment Systems Limited takes no responsibility to make changes to these statements to reflect change of events or circumstances after the release.*

About iCash Payment Systems Limited

iCash is a vertically integrated ATM payments business and has designed, manufactured and sold more than 10,000 installations in Asia Pacific since 2001. Our global product range includes ATMs, multi-function kiosks, automated cash sorting devices, complete public transport ATM solutions, switching and software solutions, and integrated settlement and back office automation systems.

Our global Head Office is in Sydney supporting the ownership of an Australia-wide ATM network of over 1,000 machines. Support services include a 24x7 help-desk, maintenance and repair facilities, training and on-going technical support. Payments infrastructure includes transaction processing, switching, and software solutions.

The Company's South Korean operations – home to iCash's research and development facilities, underpins the company's expansion across Australasia.



iCash
Around the world, around the clock

iCASH PAYMENT SYSTEMS LIMITED
ABN 87 061 041 281
and Controlled Entities

APPENDIX 4E

PRELIMINARY FINAL REPORT
YEAR ENDED 30 JUNE 2010

iCASH PAYMENT SYSTEMS LIMITED
ABN 87 061 041 281
(and controlled entities)

APPENDIX 4E

ASX INFORMATION – 30 JUNE 2010

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YEAR ENDED 30 JUNE 2010
(Previous corresponding period:
Year ended 30 June 2009)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				$
Revenue from ordinary activities	Up	118%	to	41,672,887
Profit from ordinary activities before tax	Up	392%	to	4,414,879
Profit from ordinary activities after tax	Up	75%	to	4,556,647
Total Comprehensive Income attributable to the members of the parent entity	Up	24%	to	3,219,070

Dividends/distributions	Amount per security	Franked amount per security
Final and interim dividend	Nil	Nil

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Note	Consolidated 2010 $	2009 $
Revenues from continuing operations	6	**41,672,887**	19,123,080
Network expenses	7a	**(26,303,655)**	(11,626,248)
GROSS PROFIT		**15,369,232**	7,496,832
Administrative expenses	7b	**(8,781,672)**	(4,873,607)
EBITDA		**6,587,560**	2,623,225
Depreciation, amortisation and impairment expenses	7c	**(2,010,980)**	(1,506,540)
PROFIT BEFORE FINANCING ITEMS		**4,576,580**	1,116,684
Financial income	7d	**303,978**	60,689
Financial expense	7d	**(465,679)**	(279,723)
NET FINANCING COST		**(161,701)**	(219,034)
PROFIT BEFORE INCOME TAX		**4,414,879**	897,651
Income tax benefit	8	**141,768**	1,700,761
PROFIT FOR THE YEAR AFTER INCOME TAX		**4,556,647**	**2,598,412**
OTHER COMPREHENSIVE INCOME			
Movement in foreign currency translation reserve	22	**52,871**	**163,737**
TOTAL COMPREHENSIVE INCOME		**4,609,518**	**2,762,149**
Total comprehensive income attributable to minority interests		**1,390,448**	165,283
Total comprehensive income attributable to the members of the parent entity		**3,219,070**	2,596,865
TOTAL COMPREHENSIVE INCOME		**4,609,518**	**2,762,149**
		Cents per share	**Cents per share**
Basic profit per share^	9	**0.40**	0.35
Diluted profit per share^	9	**0.40**	0.35

^relates to pre-consolidated share

The above consolidated fanatical statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Note	Consolidated 2010 $	2009 $
CURRENT ASSETS			
Cash and cash equivalents	10	**4,608,219**	2,603,988
Trade and other receivables	11	**9,692,368**	2,368,282
Other investments	12	**120,146**	132,910
Inventory	13	**8,866,018**	2,952,153
Other assets	14	**465,918**	384,066
TOTAL CURRENT ASSETS		**23,752,669**	8,441,399
NON-CURRENT ASSETS			
Trade and other receivables	11	**1,924,121**	2,153,932
Intangible assets	15	**21,942,255**	17,218,922
Other investments	12	**1,104,254**	2,326,892
Deferred tax assets	16	**1,842,529**	1,700,761
Plant and equipment	17	**5,854,204**	4,174,838
Other assets	14	**460,412**	442,972
TOTAL NON-CURRENT ASSETS		**33,127,775**	28,018,317
TOTAL ASSETS		**56,880,444**	36,459,716
CURRENT LIABILITIES			
Trade and other payables	18	**8,218,799**	3,298,554
Financial liabilities	19	**9,542,927**	3,366,933
Provisions	20	**155,179**	134,315
TOTAL CURRENT LIABILITIES		**17,916,905**	6,799,802
NON-CURRENT LIABILITIES			
Financial liabilities	19	**344,445**	1,718,744
Provisions	20	**868,806**	992,645
TOTAL NON-CURRENT LIABILITIES		**1,213,251**	2,711,389
TOTAL LIABILITIES		**19,130,156**	9,511,191
NET ASSETS		**37,750,288**	26,948,525
EQUITY			
Share Capital	21	**49,431,494**	43,248,994
Reserves	22	**(857,672)**	398,529
Accumulated losses	23	**(14,651,900)**	(19,162,298)
Parent entity interest		**33,921,922**	24,485,225
Minority interest	24	**3,828,366**	2,463,300
TOTAL EQUITY		**37,750,288**	26,948,525

The above consolidated fanatical statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

Consolidated	Note	Issued Capital $	Reserves $	Accumulated Profit/ (Loses) $	Parent Entity Interest $	Minority Interest $	Total Equity $
At 1 July 2008		42,796,244	562,266	(21,674,019)	21,684,491	2,048,409	23,732,900
Profit for the year	23	-	-	2,511,722	2,511,722	86,690	2,598,411
Issuance of share capital	21	475,000	-	-	475,000	-	475,000
Share issue costs	21	(22,250)	-	-	(22,250)	-	(22,250)
Recognition of foreign currency translation reserve	22	-	(163,738)	-	(163,738)	-	(163,738)
Minority interest in balance sheet	24	-	-	-	-	328,201	328,201
At 30 June 2009		43,248,994	398,528	(19,162,297)	24,485,225	2,463,300	26,948,524
Profit for the year	**23**	**-**	**-**	**3,191,577**	**3,191,577**	**1,365,069**	**4,556,647**
Issuance of share capital	**21**	**6,407,500**	**-**	**-**	**6,407,500**	**-**	**6,407,500**
Share issue costs	**21**	**(225,000)**	**-**	**-**	**(225,000)**	**-**	**(225,000)**
Issuance of share options		**-**	**115,491**	**-**	**115,491**	**-**	**115,491**
Transfer to/from reserves	**22**	**-**	**(1,318,820)**	**1,318,820**	**-**	**-**	**-**
Recognition of foreign currency translation reserve	**22**	**-**	**(52,871)**	**-**	**(52,871)**	**-**	**(52,871)**
Minority interest in balance sheet		**-**	**-**	**-**	**-**	**-**	**-**
Rounding difference		**-**	**-**	**-**	**-**	**(3)**	**(3)**
At 30 June 2010		**49,431,494**	**(857,672)**	**(14,651,900)**	**33,921,922**	**3,828,366**	**37,750,288**

The above consolidated fanatical statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	Consolidated 2010	2009 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		**35,867,533**	19,064,010
Cash payments to suppliers and employees		**(35,992,278)**	(16,309,773)
Interest paid		**(465,679)**	(279,724)
Interest received		**303,977**	60,689
Net cash from operating activities	25ii.	**(286,447)**	2,535,202
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to purchase of plant and equipment		**(2,174,668)**	(1,245,420)
Payment for development costs		**(287,589)**	(2,133,030)
Payments made to acquire subsidiaries		**(1,000,000)**	-
Payments to purchase investments		**(197,565)**	(528,805)
Payments as a result of business combination		**(315,000)**	-
Loans made to other parties		**(2,291,508)**	-
Net cash from investing activities		**(6,266,330)**	(3,907,255)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans to related entities		**-**	-
Proceeds from borrowings		**13,751,246**	-
Repayment of borrowings		**(9,570,539)**	-
Proceeds from share issuance		**4,605,000**	475,000
Share issue costs		**(225,000)**	(22,250)
Proceeds from short term borrowings		**-**	2,224,621
Proceeds from conversion of convertible bonds		**-**	229,567
Payments to acquire entities		**-**	-
Net cash from financing activities		**8,560,706**	2,906,938
NET INCREASE/(DECREASE) IN CASH HELD		2,007,929	1,534,885
Cash and cash equivalents at the beginning of the financial year		**2,603,988**	1,102,178
Effect of foreign exchange fluctuations on cash held		**(3,698)**	(33,075)
CASH AT THE END OF THE FINANCIAL YEAR	25i.	**4,608,219**	2,603,988

The above consolidated fanatical statements should be read in conjunction with the accompanying notes.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1 REPORTING ENTITY

iCash Payment Systems Limited (the 'company') is a company domiciled in Australia. The address of the company's registered office is Level 17, 115 Pitt Street, Sydney, NSW, 2000. The consolidated financial statements of the company as at and for the year ended 30 June 2010 comprise the company and its subsidiaries (together referred to as the "Group"). The group primarily is involved in investing in and operating of Automatic Teller Machines (ATMs).

2 BASIS OF PREPARATION

a Statement of compliance

The Preliminary Final Report has been prepared in accordance with ASX listing rule 4.3A, Australian Accounting Standards adopted by the Australian Accounting Standards Board and the Corporations Act 2001.

The Preliminary Final Report is presented in Australian dollars and has been prepared on the basis of historical costs except in accordance with relevant accounting policies where assets and liabilities are stated at their values in accordance with relevant accounting policies. The accounting policies adopted in this report are the same as those disclosed in the annual financial report for the year ended 30 June 2009.

The accounting policies adopted in this report have been consistently applied by each entity in the consolidated entity and are consistent with those of the previous year.

Various comparative balances have been reclassified to align with current year presentation. These amendments have no material impact on the Financial Statements.

This report is based on accounts which are in the process of being audited.

The preliminary consolidated financial statements were approved by the Board of Directors on __ August 2010.

b Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

c Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the company's functional currency and the functional currency of the majority of the Group.

d Use of estimates and judg ment

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. 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 and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 15 – Intangible assets
- Note 16 – Deferred tax assets

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been consistently applied by Group entities.

a Basis of consolidation

i Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In the company's financial statements, investments in subsidiaries are carried at cost.

ii Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Gains and losses are recognised when the contributed assets are consumed or sold by the equity accounted investees or, if not consumed or sold by the equity accounted investee, when the Group's interest in such entities is disposed off.

b Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to Australian dollars at exchange rates at the dates of the transactions.

The income and expenses of foreign operations in hyperinflationary economies are translated to Australian dollars at the exchange rate at the reporting date. Prior to translating the financial statements of foreign operations in hyperinflationary economies, their financial statements for the current period are restated to account for changes in the general purchasing power of the local currency. The restatement is based on relevant price indices at the reporting date.

Foreign currency differences are recognised directly in equity through foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss. Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the FCTR.

c Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation for 2010 and 2009 is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment – 10%

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

c Plant and equipment (continued)

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

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

No impairment losses have been recognised in the income statement this year.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised.

d Intangible assets

i Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures.

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss. Goodwill is assessed for impairment on an annual basis.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment.

ii Other intangible assets

Research and development activities

Research

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss when incurred.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

d Intangible assets (continued)

ii Other intangible assets (continued)

Research and development activities (continued)

Development activities

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Capitalised development expenditure is recognised at cost and will be amortised from the date it is available for use.

Other intangible assets

Other intangibles that are acquired by the Group, which do have finite useful lives, are measured at cost less accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

e Financial Instruments

i Non-derivate financial instruments

Non-derivate financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivate financial instruments are recognised initially at fair value plus, for instruments at fair value through profit or loss, any directly attributable transactions costs. Subsequent to initial recognition non-derivate financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instruments. Financial assets are derecognised if the Group's contractual rights to the cash flow from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or substantially all the risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sale of assets. Financial liabilities are derecognised of the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and Cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included in the component or cash and cash equivalents for the purpose of statement of cash flows.

Accounting for finance income and expense is discussed in Note 3(i).

Available-for-sale financial assets

The Group's investment in the equity securities and certain other investments not classified in any other category are classified as Available-for-sale financial assets.

Purchases and sales on investments are recognised on trade-date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

e Financial Instruments (continued)

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

i Non-derivate financial instruments (continued)

Subsequent to initial recognition, available-for-sale financial assets are carried at fair value to the extent that an active market can be deemed to exits or an appropriate fair value methodology can be determined. Where there is no active market or where there is no other more appropriate valuation technique; cost, less any impairment losses is deemed the most appropriate estimate of fair value. Unrealised gains and losses arising from changes in fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investment revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

Other

Other non-derivate financial instruments are measured at amortised cost using the effective interest method, less impairment losses.

ii Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

iii Compound instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition. Interest, dividends, losses and gains relating to the financial liability are recognised in profit or loss. Distributions to the equity holders are recognised against equity, net of any tax benefit.

f Inventories

Inventories are valued at the lower of cost or net realisable value. Costs, including an appropriate portion if fixed and variable overhead expenses are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on the basis of weighted average costs.

Net realisable value represents the estimated selling price less all estimated costs of completion and cost necessary to make sale.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

g Impairment

i Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

ii Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

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

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

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

h Revenue

i Transaction Fee

Transaction or ATM fee, which is a significant proportion of the revenue for the Group, is recognised in proportion to the stage of completion of the each transaction, i.e. once the transaction occurs on the ATM.

ii Goods sold

Revenue from sale of goods is measured at the fair value of the consideration received, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of consideration is probable, the associated and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount can be measured reliably.

iii Services

Revenue from services rendered is recognised when the services are provided, it is probable that future economic benefits associated with the transaction will flow to the entity, and the amount can be measured reliably.

i Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit and loss, using effective interest method

Finance expenses comprise interest expense on borrowings. All borrowings costs are recognised in profit and loss using the effective interest method.

j Employee benefits

Short-term benefits

Liabilities for employee benefits for wages, salaries, annual leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

k Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 the risks specific to the liability.

l Income tax

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

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

l Income tax (continued)

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

m Other taxes

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

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

The net amount of GST recoverable from the taxation authority is included as part of receivables in the balance sheet.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from the taxation authority.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

n Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

o New standards and interpretations adopted

Starting as of 1 July 2009, the Group has adopted following standards, amendments to standards and interpretations which has resulted a change in its accounting policies:

- AASB 101 *Presentation of Financial Statements* introduces as a financial statement (formerly “primary” statement) the “statement of comprehensive income”. The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The group has provided total comprehensive income in a single statement of comprehensive income for its 30 June 2010 consolidated financial statements.

- AASB 123 *Borrowing Costs* removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised AASB 123 will become mandatory for the Group’s 30 June 2010 financial statements and is not expected to have any effect on the financial report.

- Revised AASB 8 *Operating Segments* introduces the “management approach” to segment reporting. AASB 8 requires the disclosure of segment information based on the internal reports regularly reviewed by the Group’s Chief Operating Decision Maker in order to assess each segment’s performance and to allocate resources to them. The Group has applied the management approach, which has had no impact on its consolidated financial statements. The consolidated group continues to operate in two segments, namely Australia and Korea.

- Revised AASB 127 *Consolidated and Separate Financial Statements* changes the accounting for investments in subsidiaries. Key changes include: the re-measurement to fair value of any previous/retained investment when control is obtained/lost, with any resulting gain or loss being recognised in profit or loss; and the treatment of increases in ownership interest after control is obtained as transactions with equity holders in their capacity as equity holders. The group has adopted the revised standard which does not have any significant effect on its consolidated financial statements.

p New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2010, but have not been applied in preparing this financial report.

- AASB 9 *Financial Instruments* includes requirements for the classification and measurement of financial assets resulting from the first part of phase 1 of the project to replace AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 will become mandatory for the Group’s 30 June 2014 financial statements. Retrospective application is generally required, although there are exceptions, particularly if the entity adopts the standard for the year ended 30 June 2012 or earlier. The Group has not yet determined the potential effect of the standard.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

p New standards and interpretations not yet adopted (continued)

- AASB 124 *Related Party* disclosures (revised December 2009) simplifies and clarifies the extended meaning of the definition of related party and provides a partial exemption from the disclosure requirements for government related entities. The amendments, which will become mandatory for the Group's 30 June 2012 financial statements, are not expected to have any impact on the financial Statements.

- AASB 2009-5 *Further amendments to Australian Accounting Standards arising from the Annual Improvements Process* affect various AASB's resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Group's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.

q Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity, excluding minority interests.

There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

r Comparatives

Where necessary comparatives have been adjusted to reflect current year disclosures.

4 DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

i Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items.

ii Intangible assets

The fair value of intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets. Where this cannot be reliably estimated, management has determined that costs incurred to date are the best estimates of fair value.

In this instance, intangible assets are still tested for impairment and assessed against the recognition criteria as set out in the Australian Accounting Standard to make sure that they are not overstated.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

4 DETERMINATION OF FAIR VALUES (continued)

iii Inventory

The fair value of inventory acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventory.

iv Available-for-sale financial assets

Management has determined that no active market exists for the available-for-sale financial assets identified in Note 12. As a result management believes that the best indication of fair value is the cost incurred to date, after assessing for impairment losses.

v Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

vi Share based payments

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

5 SEGMENT REPORTING

The consolidated entity operated in two geographical segments, being Australia and Korea and in only one business segment, being the sale and operation of Automatic Teller Machines.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly investments and related revenue, loans and borrowings and related expenses, corporate assets and head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

5 SEGMENT REPORTING (continued)

	Australia		Korea		Eliminations		Consolidated	
	2010	2009	2010	2009	2010	2009	2010	2009
	$	$	$	$	$	$	$	$
Total external revenue	13,981,860	7,207,162	31,665,297	13,183,911	(4,406,574)	(1,465,758)	41,240,583	18,925,315
Inter segments revenue	-	-	-	-	-	-	-	-
Other revenue	417,405	177,551	14,899	20,213	-	-	432,304	197,764
Total revenue	14,399,265	7,384,713	31,680,197	13,204,124	(4,406,574)	(1,465,758)	41,672,887	19,123,079
Profit before tax	2,472,007	717,048	1,942,871	180,603	-	-	4,414,878	897,651
Income tax benefit/(expense)	(759,256)	1,700,761	901,024	-	-	-	141,768	1,700,761
Profit for the year	1,712,752	2,417,809	2,843,895	180,603	-	-	4,556,647	2,598,412
Other comprehensive income	27,493	85,143	25,378	78,594			52,871	163,737
Minority interest	-	-	(1,390,448)	(165,283)	-	-	(1,390,448)	(165,283)
Total comprehensive income attributable to the parent entity	1,740,245	2,502,952	1,478,825	93,913	-	-	3,219,070	2,596,866
Assets								
Segment assets	37,536,035	26,590,556	22,495,760	10,756,888	(3,151,349)	(887,728)	56,880,445	36,459,716
Unallocated assets	-	-	-	-	-	-	-	-
Total assets	37,536,035	26,590,556	22,495,760	10,756,888	(3,151,349)	(887,728)	56,880,445	36,459,716
Liabilities								
Segment liabilities	4,141,625	2,775,916	16,584,148	11,182,883	(1,595,618)	(4,447,607)	19,130,155	9,511,192
Unallocated liabilities	-	-	-	-	-	-	-	-
Total liabilities	4,141,625	2,775,916	16,584,148	11,182,883	(1,595,618)	(4,447,607)	19,130,155	9,511,192
Capital expenditure	460,794	3,792,246	2,001,462	382,592	-	-	2,462,256	4,174,838
Depreciation & amortisation expense	524,337	414,514	1,335,537	1,092,026	-	-	1,859,874	1,506,540

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

		2010 $	2009 $
6	**REVENUE**		
	Operating Activities		
	Sales revenue	**41,256,261**	18,925,315
	Other revenue	**416,626**	197,765
	Revenues from ordinary activities	**41,672,887**	19,123,080
7	**EXPENSES**		
a	**Network expenses**		
	Transaction based payments	**1,558,629**	1,286,415
	Cost of sales	**20,088,830**	5,837,982
	Cost of service	**2,939,973**	3,116,721
	Other ATM expenses	**1,716,223**	1,385,130
		26,303,655	11,626,248
b	**Administrative expenses**		
	Legal, consulting and accounting, salary and wages, directors fees, travel and selling expenses	**8,422,739**	4,575,873
	Superannuation expense	**358,933**	297,734
		8,781,672	4,873,607
c	**Depreciation, amortisation and impairment expenses**		
	Depreciation and amortisation of non-current assets	**1,859,874**	1,506,540
	Impairment (i)	**151,106**	-
		2,010,980	1,506,540

(i) The impairment expense relates to previously capitalised research & development expense incurred in Korea for markets which are no longer being pursued.

		2010 $	2009 $
d	**Financing cost**		
	Interest received	**303,978**	60,689
	Interest paid	**(465,679)**	(279,723)
		(161,701)	(219,034)

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	2010 $	2009 $

8 INCOME TAX BENEFIT

The prima facie tax on profit from ordinary activities before tax is reconciled to the income tax as follows:

	2010 $	2009 $
Prima facie income tax expense calculated at 30% on the profit from ordinary activities (2009: 30%)	**1,324,463**	269,295
Tax effect of:		
Non-deductible items	**57,209**	8,261
Effect of tax rates in foreign jurisdictions	**(155,430)**	(27,718)
Effect of non recognition of deferred tax balance	**(21,556)**	(1,700,761)
Timing differences	**-**	(6,549)
Prior year tax losses utilised	**(445,432)**	(243,289)
Prior year tax losses not brought into account	**(901,024)**	
Total income tax benefit	**(141,768)**	(1,700,761)
Deferred tax benefit	**1,242,249**	1,944,050
Current tax expense	**(1,100,481)**	(243,289)
	141,768	1,700,761

9 EARNINGS PER SHARE

	Cents per share	Cents per share
Basic profit per share^	**0.40**	0.35
Diluted profit per share^	**0.40**	0.35
Net profit	**3,191,577**	2,511,722
Profit used in the calculation of basic EPS and diluted EPS	**3,191,577**	2,511,722
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	**792,870,081**	708,723,505

^relates to pre-consolidated share

10 CASH AND CASH EQUIVALENTS

	2010 $	2009 $
Current		
Cash on hand	**1,300**	1,000
Cash at bank	**4,606,919**	2,602,988
	4,608,219	2,603,988

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

11 TRADE AND OTHER RECEIVABLES

	2010 $	2009 $
Current		
Trade debtors	**6,917,975**	2,058,168
Provision for doubtful debts	**(77,198)**	(20,176)
Other debtors (i)	**2,851,591**	330,290
	9,692,368	2,368,282
Non-current		
Other debtors	**418,437**	598,234
Provision for doubtful debts	**(178,561)**	(128,547)
Loan to BCT (ii)	**1,684,245**	1,684,245
	1,924,121	2,153,932

(ii) Other debtors includes a loan of $2,851,591 to a non-related third party by the Korean subsidiary at an interest of 9%. The loan is secured by 560,000 Family Bank Inc. shares.

(iii) Loan to Beijing Yinkatong Technology Co. Ltd.

12 OTHER INVESTMENTS

	2010 $	2009 $
Current		
Available-for-sale		
Other short-term investments (i)	**120,146**	132,910
	120,146	132,910
Non-Current		
Available-for-sale		
Investment in Pulse International (ii)	**-**	1,600,000
Other	**1,104,254**	726,892
	1,104,254	2,326,892

(iv) Other short-term investments are used as security for some of the consolidated entity's short-term liabilities

(v) Refer to Note 26.

13 INVENTORY

	2010 $	2009 $
Inventories	**9,115,264**	3,373,422
Provision for obsolescence	**(249,246)**	(421,269)
	8,866,018	2,952,153

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

14 OTHER ASSETS

	2010 $	2009 $
Current		
Prepayments	**465,918**	384,066
Non-current		
Security	**321,824**	303,187
Other	**138,588**	139,785
	460,412	442,972

15 INTANGIBLE ASSETS

	2010 $	2009 $
Non-Current		
Goodwill	**13,934,226**	12,239,660
Other intangible assets	**6,595,387**	3,566,620
Other intangible assets – development activities	**584,181**	584,181
ATM Network - Others	**828,461**	828,461
	21,942,255	17,218,922

Movements during the year

	2010 $	2009 $
Goodwill		
Balance at July 1	**12,239,660**	12,239,660
Acquisitions through business combinations	**1,694,565**	-
Impairment losses	**-**	-
Balance at June 30	**13,934,225**	12,239,660

The $1,694,566 increase in goodwill is due to:

Pulse assets acquisition

Goodwill of $304,566 was recognised on acquisition. Refer to Note 26.

NEOICP investment

During the year the company finalised the purchase of convertible notes from Korean NEO ICP directors and their Korean associates, which converted to shares in NEO ICP in the previous financial year and allowed the company to maintain its controlling interest of 52% in NEOICP. The agreement created a $1,390,000 (2009: $300,000) increase to the initial purchase price of the company's NEOICP investment. A total of $1,000,000 was paid this financial year with the $690,000 balance recognised as a short-term borrowings. Refer to Note 19.

	2010 $	2009 $
Other intangible assets		
Balance at July 1	**3,566,620**	2,994,162
Additions during the year (i)	**4,287,589**	572,458
Amortisation expense	**(1,107,716)**	-
Impairment losses	**(151,106)**	-
Balance at June 30	**6,595,387**	3,566,620

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	2010	**2009**
	$	**$**

15 INTANGIBLE ASSETS (continued)

(vi) Additions include $4,000,000 intangibles acquired through the assets of Pulse International. Refer to Note 26.

Other intangible assets – Development activities		
Balance at July 1	**584,181**	-
Additions during the year	**-**	584,181
Impairment losses	**-**	-
Balance at June 30	**584,181**	584,181
ATM Network - Other		
Balance at July 1	**828,461**	828,461
Acquisitions through business combinations	**-**	-
Impairment losses	**-**	-
Balance at June 30	**828,461**	828,461

16 DEFERRED TAX ASSETS

Non-current		
Provision	**73,197**	304,488
Tax loss	**1,769,332**	1,396,273
	1,842,529	1,700,761

Unrecognised deferred tax losses

Deferred tax assets have not been recognised in respect of the following items:		
Deductible temporary differences	**-**	182,515
Tax losses	**-**	310,815
	-	493,330

The deductible temporary differenced and tax losses do not expire under the current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

		2010 $	2009 $
17	**PLANT AND EQUIPMENT**		
	Non-Current		
	Plant and Equipment		
	Plant and Equipment:		
	At cost	**9,868,789**	6,995,397
	Less: Accumulated depreciation	**(4,014,585)**	(2,820,559)
		5,854,204	4,174,838
	Movements in carrying amounts		
	Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:		
	Balance at the beginning of year	**4,174,838**	3,459,565
	Additions	**2,174,667**	1,245,420
	Assets acquired as a result of business combination	**256,858**	-
	Depreciation expense	**(752,159)**	(530,147)
	Carrying amount at the end of year	**5,854,204**	4,174,838
18	**TRADE AND OTHER PAYABLES**		
	Current		
	Unsecured liabilities		
	Trade creditors	**6,329,125**	1,979,637
	Sundry creditors and accrued expenses	**1,889,674**	1,318,917
		8,218,799	3,298,554
19	**FINANCIAL LIABILITIES**		
	Current		
	Short-term borrowings (i)	**8,210,582**	2,466,933
	Convertible bonds (ii)	**1,332,345**	-
	Other financial liabilities	**-**	900,000
		9,542,927	3,366,933
	Non-Current		
	Long-term borrowings and payables (iii)	**344,445**	1,718,744

(vii) Short-term borrowings – debt facilities with interest ranging from 4.33% to 12%

(viii)Current convertible bonds mature September 2010 with coupon interest 4.5%.
NEOICP has a convertible bond maturing in September 2010. Assuming full maturity, the company's shareholding will be diluted below 50%.

(ix) Long-term borrowings and payables - Interest on long-term borrowings ranges from 4.25% to 4.43%

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

20 PROVISIONS

	2010 $	2009 $
Current		
Provision for holiday pay	**155,179**	22,315
Provision for self insurance	**-**	112,000
	155,179	134,315
Non-current		
Provision for retirement benefits	**868,806**	992,645

Nature and purpose of Provisions

Provision for holiday pay

Provision for holiday pay represents employee benefits for annual leave in respect of present obligations resulting from employees' services provided to balance date.

Provision for self insurance

Provision for self-insurance represents a self funded programme for deployed ATM fleet.

Provision for retirement

The Group's foreign subsidiary has a provis ion for retirement allowance for all employees who have worked more than one year in the company.

21 ISSUED CAPITAL

	Consolidated		Consolidated	
	June 2010 Shares	June 2009 Shares	June 2010 $	June 2009 $
Ordinary shares				
Share Capital	853,467,341	719,967,341	49,431,494	43,248,994
Movements during the year				
Balance at beginning of the period	719,967,341	700,967,341	43,248,994	42,796,244
February 10 (i)	33,000,000	-	1,802,500	-
November 10 (ii)	90,000,000	-	4,500,000	-
October 10 (iii)	10,500,000	-	105,000	-
March 09	-	8,000,000	-	200,000
December 08	-	11,000,000	-	275,000
Share issue costs	-	-	(225,000)	(22,250)
Balance at the end of the period	853,467,341	719,967,341	49,431,494	43,248,994

21 ISSUED CAPITAL (continued)

(x) In February 2010 30,500,000 ordinary shares were issued at 5.5c and 2,500,000 ordinary shares were issued at fair value of 5c each.
(xi) (In November 2009 the company raised $4,500,000 through placement of 90,000,000 ordinary shares at 5.0c each.
(xii) In October 2009 10,500,000 shares were issued at 1.0c raising $105,000.

Ordinary Shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.
On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its issued shares.

22 RESERVES

	2010 $	2009 $
Equity options reserve	**249,909**	1,453,238
Foreign currency translation reserve	**(1,107,581)**	(1,054,709)
	(857,672)	398,529

Nature and purpose of Reserves
Equity options reserve
The equity options reserve represents the options issued at fair value on grant date.

Foreign currency translation reserve
The foreign currency translation reserve records the foreign currency differences arising from the translation of self-sustained foreign operations.

Movements during the year

Equity options reserve		
Balance at July 1	**1,453,238**	1,453,238
Movement during the year (i)	**(1,203,329)**	-
Balance at June 30	**249,909**	1,453,238

(i) Movement of $1,203,329 is represented by:
Transfer of $1,318,820 to accumulated losses as options granted were exercised during the year.
Options granted during to year valued at $115,491.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

		2010 $	2009 $
22	**RESERVES (continued)**		
	Foreign currency translation reserve		
	Balance at July 1	**(1,054,709)**	(890,972)
	Movement during the year	**(52,872)**	(163,737)
	Balance at June 30	**(1,107,581)**	(1,054,709)
23	**ACCUMULATED LOSSES**		
	Balance at 1 July	**(19,162,297)**	(21,674,019)
	Transfer from Equity options reserve	**1,318,820**	-
	Profit for the year	**3,191,577**	2,511,722
	Balance at 30 June	**(14,651,900)**	(19,162,297)
24	**MINORITY INTERESTS**		
	Minority interest in controlled entities comprise		
	Share capital	**3,797,183**	3,797,183
	Accumulated losses	**31,183**	(1,333,883)
		3,828,366	2,463,300
25	**NOTES TO THE CASH FLOW STATEMENTS**		
i.	Reconciliation of cash		
	Cash at bank and on hand	**4,608,219**	2,603,988

25 NOTES TO THE CASH FLOW STATEMENTS (continued)

	2010 $	2009 $
ii. Reconciliation of net cash from operating activities		
Profit for the period	**4,556,646**	2,598,412
Non-cash flows in profit from ordinary activities:		
Depreciation, amortisation and impairment expense	**2,010,980**	1,506,540
Income tax benefit	**(141,768)**	(1,700,761)
Share and options issue expense	**240,491**	-
Foreign exchange	**243,752**	-
		-
Changes in assets and liabilities, net of the		-
effects of purchase and disposal of subsidiaries		-
		-
Change in trade and term debtors	**(5,698,318)**	(62,504)
Change in prepayments and other debtors	**(99,292)**	(704,039)
Change in inventory	**(5,913,865)**	(343,892)
Change in trade creditors	**4,617,903**	1,070,804
Change in provisions	**(112,000)**	14,000
Change in employee entitlements	**9,024**	156,642
Net cash from operating activities	**(286,447)**	2,535,202

26 BUSINESS COMBINATIONS

As at 2 March 2010 ('acquisition date'), the consolidated entity acquired a group of net assets from Pulse International Pty Ltd ('Pulse') for a purchase price of $4,048,014. The fair value of the net assets acquisition was $3,743,448, as detailed below. The total consideration paid of $4,048,014 was paid by a combination of cash of $1,915,000, pre-consolidated shares of $1,677,500 (being 30,500,000 at 5.5 cent pre-consolidation shares) and forgiveness of a net loan receivable of $455,514. The excess consideration of $304,566 has been recognised as purchased goodwill.

The cost of the individually identifiable net assets acquired was allocated between the fair values of the individually identifiable assets and liabilities, as outlined below:

Net assets acquired	**Fair value ($)**
TPII financial licensing software	2,500,000
Contractual rights	1,500,000
Plant and Equipment	256,858
Net trade and other payables	(513,410)
Net fair value	**3,743,448**

26 BUSINESS COMBINATIONS (continued)

Satisfied by:	
Cash	1,915,000
Shares	1,677,500
Net loan receivable forgiven	455,514
Total consideration	**4,048,014**
Goodwill - Excess cost over net fair value	**304,566**

The fair value of intangible assets was determined between the Group and Pulse by way of reference to reliable market based transactions of a similar size and scope in addition to internal modelling.

27 CONTINGENT LIABILITY

The Directors are of the opinion that the following matter is not a present obligation of the Group or is not capable of being measured with sufficient reliability.

On 3 March 2009, the Reserve Bank of Australia amended the A New Tax System (Goods and Services Tax) Regulations 1999 (the Principal Regulations) to define the supply of certain automatic teller machine (ATM) services as a ‘financial supply’. This restricts the Group’s ability to claim input tax credits on certain purchases made in the ordinary course of business. On the basis of the Group’s preliminary advice, the directors best estimate of the unrecognised amount payable, is within a range of $400,000 to $600,000.

28 EVENTS SUBSEQUENT TO REPORTING DATE

The Company held a General Meeting on 5 August 2010 which resolved a 1 for 10 share and option consolidation, which reduced the number of pre-consolidated ordinary shares and options on issue from 853,467,341 and 21,000,000 to 85,346,879 and 2,100,000 post consolidated, respectively.

Other Appendix 4E Information

1. NTA backing

	2010	**2009**
Net tangible asset backing per ordinary share	1.85 cents^	1.55 cents

^relates to pre-consolidated share

2. Details of individual and total dividends and dividend payments
No dividends were paid or declared since the start of the financial year and no recommendation for payment of dividends have been made.

3. Details of dividend reinvestment plans in operation
No dividend reinvestment plans were in operation at the date of this report.

4. Details of associates and joint venture entities
There were no associates or joint venture entities at the date of this report.

5. Other significant information
This report is based on accounts which are in the process of being audited.

6. Foreign Entity Accounting Standards
The financial statements for the entity's foreign subsidiary have been prepared in accordance with Korean accounting standards (including Part 1, Part 23 of the interpretations of SKFAS) generally accepted in Korea.