

DirectMoney Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	DirectMoney Limited
ABN:	80 004 661 205
Reporting period:	For the half-year ended 31 December 2015
Previous period:	For the half-year ended 31 December 2014

2. Results for announcement to the market

Key information			\$
Revenues from ordinary activities	up	480% to	409,320
Loss from ordinary activities after tax attributable to the owners of DirectMoney Limited	up	158% to	5,287,506
Loss for the half-year attributable to the owners of DirectMoney Limited	up	158% to	5,287,506

Dividends paid and proposed

There were no dividends declared or paid in the reporting period.

Explanation of key information and dividends

An explanation of the above figures is contained in the "Review of Operations" included within the attached directors' report.

The loss from ordinary operations includes \$2,708,757 for a one-off listing expense (as per Note 8) and \$938,728 in non-recurring capital raising costs related to the July 2015 listing. These non-recurring capital raising costs have been included in "Other expenses" on the "Statement of profit or loss and other comprehensive income" for the half ended 31 December 2015. After subtracting these two expenses from the full half year loss, the net operating loss for the half year is \$1,640,021.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	3.76	(0.19)

4. Control gained over entities

On 3 July 2015, the Company acquired 100% of the issued capital of DirectMoney Finance Pty Ltd (formerly DirectMoney Pty Ltd) for an amount of shares in the Company. Refer to Note 8 to the Interim Report for further details.

5. Loss of control over entities

Not applicable.

6. Details of associates and joint venture entities

Not applicable.

7. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

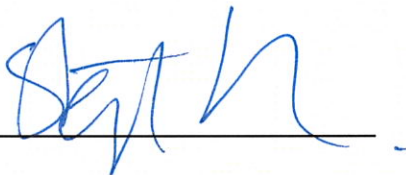
8. Attachments

Details of attachments (if any):

The Interim Report of DirectMoney Limited for the half-year ended 31 December 2015 is attached.

9. Signed

Signed



Date: 15 February 2016

Stephen Porges
Director
Sydney

DirectMoney Limited

ABN 80 004 661 205

Interim Report - 31 December 2015

DirectMoney Limited
Directors' report
31 December 2015

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of DirectMoney Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2015.

Directors

The following persons were directors of DirectMoney Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Winton William Willesee (resigned 3 July 2015)
Andrew Gordon McKay (resigned 3 July 2015)
Robert Norman Parton (resigned 3 July 2015)
Campbell Gordon McComb (resigned 18 November 2015)
Stephen Porges (appointed 3 July 2015)
Craig Swanger (appointed 3 July 2015)
Christopher Whitehead (appointed 17 September 2015)

Principal activities

As of 3 July 2015, the consolidated entity became a participant in the Marketplace Lending industry where it primarily acts as an intermediary company between borrowers and lenders in relation to unsecured personal loans.

Review of operations

The half-year loss for the consolidated entity after providing for income tax was \$5,287,506 (which includes a \$2,708,757 listing fee which is discussed in Note 8 of the Interim Report), (31 December 2014: loss of \$2,046,844).

On 3rd July 2015 the Company completed its acquisition of 100% of the issued capital of DirectMoney Finance Pty Ltd. On 13th July 2015 the Company completed a \$11.3 million capital raising, changed its name to DirectMoney Limited and was reinstated to trade on the ASX under the name "DirectMoney Limited" under the code "DM1".

As at 31st December 2015 DirectMoney held \$8.49 million of current loans to 491 borrowers in its loan warehouse and in the DirectMoney Personal Loan Fund. The value of all loans written by DirectMoney since October 2014 is \$10.94 million with a weighted average interest rate since commencement of lending of 13.2%. The DirectMoney loan warehouse is funded by equity and a non-recourse note which is backed by a \$1 million portfolio of loans.

The Company has invested \$500,000 into the DirectMoney Personal Loan Fund, a retail fund managed by a subsidiary of DirectMoney Limited and controlled by One Managed Investment Funds Limited, an entity which is not related to the Company. The DirectMoney Personal Loan Fund is a registered managed investment scheme where investors' money is pooled and invested into unsecured personal loans acquired from DirectMoney Finance Pty Ltd.

The Company has established a number of partnerships with loan introducers to complement its existing direct marketing activities. As at 31st December 2015 DirectMoney has 224 accredited loan brokers and there are agreements in place with six major finance and mortgage broker aggregators representing approximately 4,500 individual brokers.

DirectMoney continued to invest in its proprietary technology platform to support scalable growth and high levels of satisfaction from its loan origination partners and direct customers. DirectMoney is focused on streamlining processes for the broker channel and their customers. The Company will continue to invest in tools and integrations that enable brokers to fully manage loan applications and communications with DirectMoney in a consistent and efficient manner.

DirectMoney continues to manage loan approvals according to strict credit criteria. DirectMoney is pleased to confirm that none of the \$4.58 million of loans written in H1 FY 2016 have late payments exceeding 30 days. During the period H1 FY 2016 DirectMoney wrote off a gross amount of \$108,022 relating to loans originated prior to 30 June 2015.

These interim financial statements are a reflection of the continuation of the activities and assets of DirectMoney Finance Pty Ltd. The comparative figures used in these interim financial statements are that of DirectMoney Finance Pty Ltd and its subsidiaries prior to its acquisition by DirectMoney Ltd.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year other than those discussed in the 'Review of operations'.

DirectMoney Limited
Directors' report
31 December 2015

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Stephen Porges
Director

15 February 2016
Sydney



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Level 11, 1 Margaret St
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY CRAIG MAXWELL TO THE DIRECTORS OF DIRECTMONEY LIMITED

As lead auditor for the review of DirectMoney Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of DirectMoney Limited and the entities it controlled during the period.

Craig Maxwell
Partner

BDO East Coast Partnership

Sydney, 15 February 2016

DirectMoney Limited**Contents****31 December 2015****Contents****Page**

Statement of profit or loss and other comprehensive income	2
Statement of financial position	3
Statement of changes in equity	4
Statement of cash flows	5
Notes to the financial statements	6
Directors' declaration	11
Independent auditor's review report to the members of DirectMoney Limited	12

General information

The financial statements cover DirectMoney Limited as a consolidated entity, consisting of DirectMoney Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is DirectMoney Limited's functional and presentation currency.

DirectMoney Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Suite 31, Level 8,
58 Pitt Street
Sydney NSW 2000

Principal place of business

Suite 31, Level 8,
58 Pitt Street
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15 February 2016.

DirectMoney Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2015

		Consolidated	
	Note	31 Dec 2015	31 Dec 2014
		\$	\$
Revenue	2	409,320	70,586
Other income	3	26,193	18,125
Expenses			
Employee benefits expense		(1,007,372)	(300,155)
Depreciation and amortisation expense		(1,399)	(200)
Listing expense		(2,708,757)	-
Other expenses		(1,974,320)	(1,806,273)
Finance costs		(31,171)	(28,927)
Loss before income tax	4	(5,287,506)	(2,046,844)
Income tax expense		-	-
Loss after income tax for the half-year		(5,287,506)	(2,046,844)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(1,766)	196
Other comprehensive income for the half-year, net of tax		(1,766)	196
Total comprehensive income for the half-year		<u>(5,289,272)</u>	<u>(2,046,648)</u>
		Cents	Cents
Basic earnings per share		(1.99)	(0.81)
Diluted earnings per share		(1.99)	(0.81)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

DirectMoney Limited
Statement of financial position
As at 31 December 2015

		Consolidated	
	Note	31 Dec 2015	30 Jun 2015
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		3,313,985	131,856
Loan receivables	5	1,576,827	1,004,907
Trade and other receivables		51,560	210,315
Other assets		32,226	25,371
Total current assets		<u>4,974,598</u>	<u>1,372,449</u>
Non-current assets			
Loan receivables	5	5,982,783	3,407,280
Property, plant and equipment		5,930	7,330
Financial assets	6	500,000	-
Total non-current assets		<u>6,488,713</u>	<u>3,414,610</u>
Total assets		<u>11,463,311</u>	<u>4,787,059</u>
Liabilities			
Current liabilities			
Trade and other payables		184,813	621,345
Employee benefits		181,068	103,826
Provisions		83,324	38,675
Convertible notes		1,000,000	4,522,892
Total current liabilities		<u>1,449,205</u>	<u>5,286,738</u>
Total liabilities		<u>1,449,205</u>	<u>5,286,738</u>
Net assets/(liabilities)		<u>10,014,106</u>	<u>(499,679)</u>
Equity			
Issued capital	9	21,909,803	6,106,746
Reserves		2,444	4,210
Accumulated losses		(11,898,141)	(6,610,635)
Total equity		<u>10,014,106</u>	<u>(499,679)</u>

The above statement of financial position should be read in conjunction with the accompanying notes

DirectMoney Limited
Statement of changes in equity
For the half-year ended 31 December 2015

Consolidated	Issued Capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2014	2,798,031	-	(2,445,077)	352,954
Loss after income tax for the half-year	-	-	(2,046,844)	(2,046,844)
Other comprehensive income for the half-year, net of tax	-	196	-	196
Total comprehensive income for the half-year	-	196	(2,046,844)	(2,046,648)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of share capital	1,208,715	-	-	1,208,715
Balance at 31 December 2014	<u>4,006,746</u>	<u>196</u>	<u>(4,491,921)</u>	<u>(484,979)</u>
Consolidated	Issued Capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2015	6,106,746	4,210	(6,610,635)	(499,679)
Loss after income tax expense for the half-year	-	-	(5,287,506)	(5,287,506)
Other comprehensive income for the half-year, net of tax	-	(1,766)	-	(1,766)
Total comprehensive income for the half-year	-	(1,766)	(5,287,506)	(5,289,272)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of share capital (Note 9)	15,803,057	-	-	15,803,057
Balance at 31 December 2015	<u>21,909,803</u>	<u>2,444</u>	<u>(11,898,141)</u>	<u>10,014,106</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

DirectMoney Limited
Statement of cash flows
For the half-year ended 31 December 2015

	Consolidated	
Note	31 Dec 2015	31 Dec 2014
	\$	\$
Cash flows from operating activities		
Net loans to customers	(2,749,951)	(3,675,957)
Payments to suppliers and employees (inclusive of GST)	(3,846,867)	(789,055)
	<u>(6,596,818)</u>	<u>(4,465,012)</u>
Interest received	26,193	4,395
Management fees received	2,696	-
Interest and other finance costs paid	<u>(47,742)</u>	<u>(17,637)</u>
Net cash used in operating activities	<u>(6,615,671)</u>	<u>(4,478,254)</u>
Cash flows from investing activities		
Payments for investments	<u>(500,000)</u>	<u>-</u>
Net cash used in investing activities	<u>(500,000)</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from issue of shares	11,297,800	785,239
Proceeds from issue of convertible notes	-	1,925,258
Proceeds from secured note	-	2,000,000
Repayment of convertible notes	<u>(1,000,000)</u>	<u>(10,000)</u>
Net cash from financing activities	<u>10,297,800</u>	<u>4,700,497</u>
Net increase in cash and cash equivalents	3,182,129	222,243
Cash and cash equivalents at the beginning of the financial half-year	<u>131,856</u>	<u>341,184</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>3,313,985</u></u>	<u><u>563,427</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2015 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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 value 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 interests in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred.

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 consolidation 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 measured 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.

Note 1. Significant accounting policies (continued)

Acquisition of DirectMoney Finance Pty Ltd and its Controlled Entities

During the half-year, DirectMoney Finance Pty Ltd's original shareholders obtained a majority share interest in DirectMoney Limited (formally Basper Limited) after the reverse acquisition transaction. This transaction did not meet the definition of a business combination in accordance with Australian Account Standard AASB 3 Business Combinations. The transaction has therefore been accounted for in the consolidated financial statements in accordance with Australian Accounting Standard AASB2 Share-based Payment and has been accounted for as a continuation of the financial statements of DirectMoney Finance Pty Ltd with a deemed issue of shares equivalent to the shares held by the former shareholders of DirectMoney Limited. The deemed issue of shares is, in effect a share based payment transaction whereby DirectMoney Finance Pty Ltd is deemed to have received the net assets of DirectMoney Limited, together with the listing status of DirectMoney Limited. The overall accounting effect is very similar to a business combination. Because the consolidated financial statements represent the continuation of the financial statements of DirectMoney Finance Pty Ltd, the principles and guidance on the preparation and presentation of the consolidated financial statements in a reverse acquisition set out in AASB 3 have been applied as follows:

- fair value adjustments arising at acquisition were made to DirectMoney Limited assets and liabilities, not those of DirectMoney Finance Pty Ltd;
- the cost of the acquisition, and amount recognised as issued capital to affect the transaction, is based on the notional amount of shares that DirectMoney Finance Pty Ltd would have needed to issue to acquire the same shareholding percentage in DirectMoney Limited on the acquisition date;
- accumulated losses and other equity balances in the consolidated financial statements at acquisition date are those of DirectMoney Finance Pty Ltd;
- a share-based payment transaction arises whereby DirectMoney Finance Pty Ltd is deemed to have issued shares in exchange for the net assets of DirectMoney Limited (together with the listing status of DirectMoney Limited). The listing status does not qualify for recognition as an intangible asset and has therefore been expenses in profit or loss as a listing expense;
- the equity structure in the consolidated financial statements (the number and type of equity instruments issued) at the date of the acquisition reflects the equity structure of DirectMoney Limited, including the equity instruments issued to effect the acquisition;
- the results for the half-year ended 31 December 2015 comprise the consolidated results for the half year of DirectMoney Finance Pty Ltd together with the results of DirectMoney Limited from the acquisition date, being 3 July 2015; and
- the comparative results represent the consolidated results of DirectMoney Finance Pty Ltd only.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

These interim financial statements were authorised for issue on 15 February 2016.

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.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Revenue

	Consolidated	
	31 Dec 2015	31 Dec 2014
	\$	\$
Effective interest income on financial assets	356,950	70,279
Other revenue from financial assets	52,370	307
Revenue	<u>409,320</u>	<u>70,586</u>

DirectMoney Limited
Notes to the financial statements
31 December 2015

Note 3. Other income

	Consolidated	
	31 Dec 2015	31 Dec 2014
	\$	\$
Interest on cash	14,049	4,395
Interest from investments	12,144	-
Exchange gains on loan accounts	-	13,730
	<u>26,193</u>	<u>18,125</u>

Note 4. Expenses

	Consolidated	
	31 Dec 2015	31 Dec 2014
	\$	\$
Losses from ordinary activities before income tax includes the following specific expenses:		
<i>Marketing costs</i>		
Marketing costs	268,967	230,130
<i>Finance costs</i>		
Interest and finance charges paid/payable	31,171	28,927
<i>Legal expenses</i>		
General legal expenses	105,748	222,072
<i>Write off of loan assets</i>		
Doubtful debts expense	(62,355)	204,375
Bad debt expense	4,768	392,971
Loss on sale of loan assets	103,254	-
	<u>45,667</u>	<u>597,346</u>
<i>Listing Fee from acquisition</i>		
Listing fee from acquisition of DirectMoney Finance Pty Ltd (Note 8)	2,708,757	-

Note 5. Loan receivables

	Consolidated	
	31 Dec 2015	30 Jun 2015
	\$	\$
<i>Current</i>		
Loan receivables	1,576,827	1,004,907
<i>Non-current</i>		
Loan receivables	6,111,923	3,598,774
Less provision for impairment of receivables	(129,140)	(191,494)
	<u>5,982,783</u>	<u>3,407,280</u>

Loan receivables comprise of unsecured personal loans between \$5,000 to \$35,000 with an interest range between 8.5% to 22.75%. The unsecured personal loans are repayable within the ranges of 3 to 5 years.

Note 6. Financial assets

	Consolidated	
	31 Dec 2015	30 Jun 2015
	\$	\$
Investment in DirectMoney Personal Loan Fund	500,000	-

The consolidated entity has invested \$500,000 into the DirectMoney Personal Loan Fund. The DirectMoney Personal Loan Fund is a registered managed investment scheme where investors' money is pooled and invested into unsecured personal loans acquired from DirectMoney Finance Pty Ltd. The investment is measured at fair value through other comprehensive income in accordance with AASB 9 Financial Instruments.

Note 7. Contingent liabilities

The directors have reported no contingent liabilities. (30 June 2015: nil)

Note 8. Acquisition accounting and share based payments expense

On 3 July 2015, DirectMoney Limited completed its acquisition of 100% of the issued capital of DirectMoney Finance Pty Ltd ("DMF") as part of a reverse acquisition.

This transaction was accounted for as discussed in Note 1.

The value of the transaction is as follows:

	3 Jul 2015
	\$
Assets and liabilities acquired	
Cash and cash equivalents	2,857
Other current assets	17,806
Trade and other payables	(729,332)
	(708,669)
Fair value of notional shares that DMF issued to effect the transaction	2,000,088
Listing expense	2,708,757

The fair value of the shares was assessed on the basis of the fair value of the net assets acquired and DirectMoney Limited's listing status.

Note 9. Issued capital

Consolidated
31 Dec 2015 30 June 2015
\$ \$

(a) Issued and paid up capital

Ordinary shares fully paid

21,909,803 6,106,746

Ordinary shares participate in dividends and the proceeds on winding up the Company. At shareholder meetings, each ordinary share is entitled to one vote when a poll is called. Otherwise, each shareholder has one vote on show of hands.

	31 Dec 2015		31 Dec 2014	
	Number of shares	\$	Number of shares	\$
(b) Reconciliation of issued and paid-up capital				
Opening balance as at 1 July	271,843,978	6,106,746	220,488,040	2,798,031
Shares issued *	-	-	8,819,521	250,000
Shares issued *	-	-	18,331,346	923,477
Shares issued *	-	-	4,500,000	35,238
DirectMoney Finance Pty Ltd shares issued prior to acquisition	62,203,896	2,505,169	-	-
Reversal of existing shares on acquisition	(334,047,874)	-	-	-
Existing DirectMoney Limited shares on issue	10,000,443	-	-	-
Issue of DirectMoney Limited shares on acquisition of DirectMoney Finance Pty Ltd	199,609,932	2,000,088	-	-
Issue of DirectMoney Limited shares post acquisition	56,489,000	11,297,800	-	-
Closing Balance as at 31 December	<u>266,099,375</u>	<u>21,909,803</u>	<u>252,138,907</u>	<u>4,006,746</u>

* During the half year ended 31 December 2014, a total of 31,650,867 shares were issued by DirectMoney Finance Pty Ltd to private investors.

Note 10. Events after the reporting period

There were no significant events subsequent to the end of the reporting period.

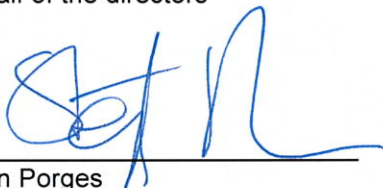
DirectMoney Limited
Directors' declaration
31 December 2015

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Stephen Porges
Director

15 February 2016
Sydney

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of DirectMoney Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of DirectMoney Limited, which comprises the consolidated statement of financial position as at 31 December 2015, 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 half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of DirectMoney Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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 DirectMoney Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of DirectMoney Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO East Coast Partnership

BDO

A handwritten signature in black ink, appearing to read 'Craig Maxwell'.

Craig Maxwell
Partner

Sydney, 15 February 2016