



# annual report 09

MINT WIRELESS LIMITED

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# Chairman's letter

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Dear Shareholders,

The 2009 financial year presented significant challenges for the Australian and international business community given the backdrop of uncertain economic conditions. Despite these challenges, Mint Wireless Limited has continued to increase revenue across the two core business units, significantly reduce ongoing operational costs, and add new customers as the Company continued to gain traction in the Australian marketplace.

While the financial result was significantly stronger than the previous year, there is scope to significantly improve on these results. Our intention is to move swiftly towards becoming cash flow positive and profitable, and the Board is committed to working prudently and in the best interests of the shareholders to realise this goal.

The Company is well positioned for future growth following the successful restructuring of the business to reduce operational costs. This included the merging of Mint subsidiaries to gain economies of scale, reducing investment in resource input, and the streamlining of the management structure and administrative functions.

In terms of operations, the Company has continued building its presence in payment systems focussing on developing its brand recognition and market footprint and extending the range of its core payments product suite. It was encouraging to see subscriber numbers remain steady throughout the year, and I expect this to grow in the coming financial year.

For the Mint Technology division, fiscal 2009 was a year of product expansion, with the division increasing the portfolio of leading international consumer technology brands from two to four, and we anticipate the addition of many more international brands under Mint Technology's umbrella in financial year 2009/2010. The team was focussed on building the appropriate partnerships and sourcing leading edge and innovative products to add to our already impressive range. The last year has seen the further cultivation of partnerships with tier-one retailers around Australia, which has significantly bolstered our performance. The establishment of new distribution channels has made Mint Technology an attractive distribution partner contributing to increased market awareness both in Australia and abroad.

The state of the overall market and the challenges for all businesses presented by the 2009 financial year did weigh on the Company's commercial performance, however, we continue to focus on customer acquisition, cultivating and expanding our relationships with key distribution and retail partners, and driving stronger financial results coupled with the implementation of stronger financial management discipline across the board.

The senior management team has had a very busy year ensuring that costs have been rationalised to deliver maximum return to our shareholders and ensure the Company remains on an appropriate growth trajectory.

My fellow board members and I continue with our active involvement in guiding the business to ensure it not only remains buoyant but retains the resources and strategic flexibility to pursue available growth opportunities. This is in part reflected in the growth of the Company's product range amongst major retailers.

I would like to thank Alex and Andrew Teoh; and their team for their continued efforts which have positioned Mint for the next phase in the Company's growth and have ensured the sustainability of the Company in an uncertain period.

Thank you to the shareholders, customers and partners that have supported Mint in FY2009. My fellow board members and I expect 2009/2010 will be a year of overall growth, ultimately delivering greater shareholder wealth, and reposition the Company for the next phase in its corporate development.

Terry Cuthbertson - Chairman

## Ceo's letter

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In the 2009 financial year, Mint Wireless ("Mint" or "the Company") has managed to display steady growth in the face of adverse economic conditions. The Company increased revenues, customer numbers and strategic partners across both the Mint Payment and Technology business units. While the commercial performance of the Company was ultimately affected by tightened purchasing trends of our customers and partners; the Company still continued to record stronger financial results when compared to 2008. The Mint senior management team looked closely at the overall cost base and pursued growth through low-cost customer acquisition strategies. As a result, Mint continued to increase its overall customer base and expects to see the benefits of the business restructure and cost rationalisation activities further materialise in the 2010 financial year.

The Company recorded a net revenue of \$12,039,883 which was encouraging, up 156% from the previous corresponding period. This illustrated the increased take-up of the Mint Payment Solutions and targeting of different customer segments, in particular a focus on mid to large enterprise based businesses. This was coupled with the increased penetration of our expanding range of products under the newly rebranded Mint Technology Division (formerly Mint Trading). Stronger second half performance was encouraging given the Company's historical first half weighting, and also provided a sign of improving economic and market conditions.

The Company reported an overall net loss of \$2,117,272 which was reduced by 51% from the previous period. Included in this net operating loss was a one-off cost resulting from fluctuations in foreign exchange markets of \$437,770. The Company has since put in place a hedging strategy that will minimise any future foreign exchange related losses.

The Company remains in a strong cash position with an unused finance facility of \$5.25 million in place to support the Company's medium term growth. The Company's financiers remain committed to supporting Mint's growth.

Mint expects to realise a sustained improvement in the financial performance as a result of increased sales activities, revenues and margins, as we continue to gain traction amongst new and existing customers. The focus remains on reducing ongoing costs as the Company emerges from an uncertain period and begins to reinstate some of the growth initiatives that were hampered by recent conditions.

### **Mint Payment Solutions**

The Mint Payment Solutions division performed well with significant contract wins during the 2009 financial year. This was reflected primarily by the securing of a 3-year license and supply agreement with Cadbury Schweppes. The Company anticipates that the recurring revenue nature of the license and transaction relationship between Mint and Cadbury Schweppes will only grow and continue beyond the initial 3-year agreement. The success of this contract demonstrates Mint's application for larger enterprise which will form a focus for the Company as we progress through the 2010 financial year.

An extended range of payment solutions was introduced, tailored to the varying requirements of the spectrum of company types and sizes. This is illuminated by the three product categories; Mini Mint - the streamlined edition geared towards small business; Mint Pro - the enterprise class edition; and Mint Enterprise Solutions - allowing for integration into the existing IT systems of larger businesses.

The launch of Mini Mint in collaboration with ASX listed software and e-commerce distribution company, Manacomm Corporation Limited, was a pleasing success and the product is now available in major national retailers such as Officeworks and Harvey Norman.

The Company remains confident that we can continue to increase the market presence of the extended Payments range and target larger projects as well as drive sales volumes through the small to medium business market. We are aggressively building a solid pipeline of opportunities and will update shareholders of any developments in the new financial year.

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### **Mint Technology**

The Company has undertaken a re-branding, and the former Mint Trading division is now known as Mint Technology. The new brand more accurately reflects the nature of the business and was a result of a strengthened reputation in the mobile consumer electronic device market. Mint Technology performed well in the 2009 financial year securing a steady stream of contract wins and further expanding its portfolio of leading consumer technology brands and products. The business further extended its reach into key national retail outlets which has led to the Company's growing reputation as a market-leading retail distribution partner.

I would like to thank Andrew Teoh for his efforts in leading the Mint Technology team and identifying exciting new products for our range that have ultimately supported our bottom line. The nature of these products has positioned Mint as a leader in innovative consumer technology devices and we will continue to add products that complement our brand and present strong margins.

### **Outlook**

The forthcoming financial year will present significant opportunities for both Mint Payment Solutions and Mint Technology businesses. As the global economy continues to recover, we expect this to have a large impact on our sales performance and revenue.

We will increase sales and marketing activities and continue investing in our brands to drive our commercial performance. These critical activities will ensure Mint continues from strength-to-strength and we achieve our goal to be cash flow positive and to return a profit for the year, maintain a low-cost infrastructure and further capitalise on the robust foundation laid by the Company in the 2009 financial year.

I would like to thank the Mint Board for their invaluable guidance throughout the past year, and the staff for their continued efforts and dedication to the Company's growth. Our people continue to be our greatest asset and their support has positioned Mint to capitalise on the myriad opportunities in the coming year.

Last, I would like to thank our shareholders for supporting Mint Wireless in a period of grave uncertainty for markets around the world. We will continue to build a sustainable and profitable business, and your continued involvement is greatly appreciated.

Alex Teoh – Chief Executive Officer

# Divisional Report

## MINT PORTABLE PAYMENT SYSTEM (PPS)

The Mint Payment Solutions ("Mint") business division has continued to post steadily increasing subscriber volumes, a sustained sales performance and a reduction in month-on-month corporate overheads. Mint now offers a more tailored payment solution to varying business types and sizes. A tailored payment solution is more suitable, and addresses the requirements and price elasticity needs of businesses of different segments and sizes.

The core elements of the expanded payments range include

**Mini Mint** – Successfully launched in February 2009, Mini Mint was developed as a streamlined edition of Mint Pro, the enterprise class solution. Mini Mint is specifically designed for sole traders and small businesses and affords these end-users access to a range of critical payment related features, without the need to invest in the full version or systems that may test tighter budgets.

The Company partnered with leading ASX listed software and e-commerce distribution company, Manacorn Corporation Limited (ASX: MNL), to launch and distribute Mini Mint to major national consumer electronics and office supplies and technology retailers. Mini Mint is currently stocked in major retail outlets such as Harvey Norman and Officeworks and has continued to deliver a strong sales performance.

**Mint Pro** – is the mid to large enterprise-class, fully featured payment solution and invoicing system that allows medium to large sized businesses to process all types of payments, produce on-the-spot itemised tax invoices and fully integrate with a business' existing accounting software. Mint Pro has continued to experience robust sales and expand its presence in this mid to large enterprise sector.

The Company's rigorous sales and marketing activities and development of the Mint Pro brand amongst key target segments has lead to new customer acquisition. The focus on cash flow for many businesses also meant minimal customer attrition. The mid to large enterprise market continues to be a strong focus for the Payment Solutions business.

**Mint Enterprise Solutions ("MES")** – is a software development kit designed to allow the seamless integration of the Mint Payment Solutions into a larger business' existing mobile field application and systems. MES has allowed Mint to target more complex and sophisticated projects that require full integration with industry specific IT systems or with more complex Enterprise Resources Planning ("ERP") software.

One highlight was the Company securing a 3-year license and supply agreement with international beverage and confectionary company, Cadbury Schweppes, to initially provide the Mint Payment Solution – through its MES product offering to 100 of its delivery drivers. Pursuing similar sized contracts with more complicated integration requirements and higher margins and yields will form a divisional focus for the 2010 financial year. We have seen this successful case study bring credibility and new opportunities to the Mint Payment Solution division especially in the large enterprise market place; where a number of comparable businesses with similar payment requirements presently in discussions with the Company.

In addition to Mobile Payments, Mint Payment Solutions will also provide a range of IVR, Online Payments and Recurring/Batch Payment services to the market place. This comprehensive range of solutions will also allow Mint to target new high growth, margin-rich segments and offer a product commensurate with a customer's needs and budget.

In the 2010 financial year, Mint will focus on reducing operational costs by identifying low cost of sales and marketing channels. We will continue to target medium to large sized enterprise customers with the annuity revenue and margin per-user significantly higher than smaller businesses; with each large enterprise customer addition having a positive impact on the divisions' operating revenues and cash flow. The Company will be vertically focused on early adopters of mobile and online payments solutions such as taxis and hire-car providers, logistics and distributions companies, FMCG, national retail and large franchises and associations.

## MINT TECHNOLOGY (FORMERLY MINT TRADING)

Mint Technology has grown significantly in the 2009 financial year and has emerged as a market-leading provider focused on the development and management of leading technology products and services. Mint Technology has expanded its product suite to include Audio Visual, Memory, Photographic, Power, Phone accessories, Computer accessories and Point of Sale (POS) software.

### Brand Portfolio

Mint Technology now manages an expanding portfolio of leading national and international technology brands with exclusive distribution rights in Australia and New Zealand for:

**Uniden®** - Mint Technology has entered into a two-year exclusive strategic partnership alliance agreement with Uniden®, a global market leader in wireless communication and consumer electronics. Initially providing to the Australian and New Zealand markets, the agreement with Uniden® will enable Mint to provide a range of innovative technology and wireless communications devices and leverage the world-renowned Uniden® brand;

**A-Data Technology Co.** ("A-Data") – Mint Technology was appointed by one of the world's largest flash memory providers, A-Data, as the exclusive distribution partner for Australia and New Zealand;

**Aiptek International** – Mint Technology signed an exclusive distribution agreement with Aiptek International to provide a range of portable consumer technology devices, for example Aiptek are the manufacturer of the successful pocket projector and digital video recorder currently in major retail outlets around Australia;

**Pico Life™** – Mint Technology has established a proprietary suite of consumer technology products under the Pico Life™ brand and trademark. Pico Life™ is a new line of products geared towards enhancing digital life and practicality through the smallest or "Pico" of technology products. Pico Life™ products are currently stocked by leading Australian retailers.

Mint Technology will continue to pursue exclusive distribution agreements with leading digital consumer technology providers worldwide, leveraging the strength of Mint's distribution channels and agreements with major retail outlets

### Customer Base

Since its establishment, Mint Technology has entered into trading and supply agreements with some of Australia's top-tier and iconic retailers which has continued to strengthen as the business continues to expand its range of innovative products. These retailers provide access to the mass market for the products in Mint Technology's product range and include: Coles, Officeworks, Harvey Norman, Vodafone, Testra, Kmart, Dick Smith, Big W, WOW sight and Sound, Crazy Johns, The Good Guys, Harris Technology and most recently the newly established Australian retail outlet of US big box retailer, Costco. Mint technology also supplies products to some of Australia's leading online retailers including: Deals Direct, City Software and OO.com.au. The strong relationships established and fostered with the above retail outlets and online channels will allow Mint Technology to continue attracting market-leading brands into its portfolio and ultimately drive increased revenues.

In 2010, Mint Technology will continue to focus on identifying, sourcing, and bringing new consumer electronics and digital devices to the Australian market. With an established portfolio of brands and innovative technology products now established and managed, Mint Technology can focus on previously untapped exports markets. Mint Technology will seek to source distributors in the Asia-Pacific, Europe and the US to gain access to those significantly larger markets. The process will replicate the successful partnerships and agreements entered into in the Australian and New Zealand markets.

As the market for consumer electronic and digital devices re-stabilises and increased discretionary spending returns, Mint Technology will continue to grow. The business will target higher margin products and segments and focus on maintaining the existing network of partners around the world.

# Corporate Directory

FOR YEAR ENDED 30TH JUNE 2009

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## DIRECTORS

Terry Cuthbertson  
Chairman

Alex Teoh  
Chief Executive Officer

Andrew Teoh  
Executive Director

## COMPANY SECRETARY

Gary Stewart

## REGISTERED OFFICE

91-95 Victoria Road  
Rozelle NSW 2039

Phone: + 61 2 8752 7888  
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## POSTAL ADDRESS

PO Box 1787  
Rozelle NSW 2039

## AUSTRALIAN COMPANY NUMBER

122 043 029

## AUSTRALIAN BUSINESS NUMBER

51 122 043 029

## AUDITORS

Pitcher Partners  
Level 22  
19 Martin Place  
Sydney NSW 2000

## SHARE REGISTRY

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000

Phone: + 61 2 8280 7511  
Fax: + 61 2 9287 0303

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

## WEBSITE

[www.mnw.com.au](http://www.mnw.com.au)  
[www.mint-wireless.com](http://www.mint-wireless.com)

## ASX CODE

MNW

# Director's Report

FOR YEAR ENDED 30TH JUNE 2009

In accordance with a resolution of Directors, the Directors present their Report together with the Financial Report of Mint Wireless Limited (Mint) and its controlled entities (together referred to as the Consolidated Entity or Group) for the financial year ended 30 June 2009 and the Independent Audit Report thereon.

## DIRECTORS

Details regarding the Directors of Mint at any time during or since the end of the financial year are as follows:

- Alex Teoh
- Andrew Teoh
- Terry Cuthbertson
- John Skippen (resigned 22 September 2008)

Current Director's qualifications, experience and special responsibilities are as follows:

### Chairman - Terry Cuthbertson B. Bus, ACA

Terry is Chairman of ASX listed My Net Fone Limited, Montec International, Austpac Resources NL, South American Iron and Steel and Sun BioMedical Limited. He is also Chairman of s2Net Limited. Terry has extensive corporate finance expertise, having advised several businesses and government organizations in relation to mergers, acquisitions and financing.

Formerly, Terry was a Partner of KPMG Corporate Finance and NSW Partner in Charge of Mergers and Acquisitions, where he coordinated government privatisations, mergers, divestitures and public offerings on the ASX for the New South Wales practice. Terry is the former Group Finance Director of Tech Pacific Holdings Limited, which was one of the largest information technology distributors in Asia with annual turnover in 1999 of approximately \$2 billion and is a former Director of Tech Pacific Limited's businesses in Hong Kong, Singapore, India, Philippines, Indonesia and Thailand.

Terry is a Chartered Accountant and holds a Bachelor of Business Degree.

### Alex Teoh, Chief Executive Officer B. Sc (Business and Information Systems)

Alex has been involved in creating many successful businesses throughout his career.

From 2001 to 2005, Alex was the CEO of a local and international supply chain and logistics business, Zoo Logistics Pty Limited.

Alex was previously a Principal Consultant at the Hong Kong office of PricewaterhouseCoopers (PwC) Consulting. He was a member of the practice's senior management team responsible for its Customer Relationship Management strategy and solutions offering in East Asia (which includes Hong Kong, Singapore, Thailand, Malaysia and the Philippines). Prior to PwC, Alex worked as a Senior Consultant at Cap Gemini Ernst & Young Consulting, assisting in securing and implementing supply chain and application development contracts.

Alex is one of the founders of the Mint Business and has been on the Board of Mint since 15 November 2006.

Alex is a member of the Remuneration & Nomination Committee and Audit & Risk Management Committee.

### Andrew Teoh, Executive Director B. Comm (Accounting/Finance)

Andrew has extensive experience in business operations, sales and marketing sectors. His experience has been within the areas of emerging technologies, billing systems, management of telecommunication switches and client services.

Andrew was previously the Operations Manager for Zoo Telecom Pty Ltd and was involved in the strategic process development, running and maintenance of this medium sized telecommunications Company. Prior to that, Andrew was a Customer Services Manager at One.Tel Limited, where he was involved in the development, training and supervision of client service staff.

Andrew is one of the founders of the Mint Business and has been on the Board of Mint since 15 November 2006.

Andrew is a member of the Remuneration & Nomination Committee and Audit & Risk Management Committee.

## COMPANY SECRETARY

Gary Stewart

Gary Stewart is a solicitor with Churchill Lawyers & Corporate Advisers.

# Director's Report CONTINUED

FOR YEAR ENDED 30TH JUNE 2009

## Principal Activities

The principal activities of the Consolidated Entity during the year under review were the provision of mobile payment solutions and innovative consumer electronics technology products and service.

## Review of Operations and State of Affairs

The Group incurred a net loss of \$2,117,272 for the year ended 30 June 2009.

Further information about the Consolidated Entity's results of its operations together with the information about the financial position of the Consolidated Entity appears in the attached Financial Report. There are no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

## Events Subsequent to Reporting Date

On 1st July 2009, the Company has managed to secure additional finance facilities of \$3,000,000 at lower costs to accommodate for the continued growth of the business. The facility is in addition to existing finance facilities of up to \$2,250,000.

Other than the matters discussed above, in the opinion of the Directors, there has not arisen in the interval between the end of the financial year and the date of the report any matter or circumstance that has significantly affected, or may significantly affect the Consolidated Entity's operations, results of those operations or the state of affairs in future financial years.

## Likely Developments

The Consolidated Entity intends to continue its principal activities, being the provision of mobile payment solutions and the development and management of consumer technology products and services.

The Consolidated Entity will continue with business plan and focus on sales and marketing the Mint Portable Payment System in Australia; increasing subscriber and recurring revenue base; focus on increasing market share, revenues and margin

contribution from the Mint Technology business; continue to identify market leading consumer technology products that have synergies with existing distribution channels and investigate expansion opportunities for Mint in select International markets.

## Dividends

No dividend was paid, recommended for payment nor declared during the year under review.

## Options and Rights

During and since the end of the financial year, Mint has not granted options over unissued ordinary shares.

## Unissued Shares under Option

As at the date of this Report, unissued ordinary shares of Mint under options pursuant to the Mint Wireless Limited Employee Option Plan are:

Expiry date	Number of options*	Exercise Price (\$)
30 June 2011	1,250,000	0.25

## Shares issued on exercise of options

During or since the end of the financial year, no ordinary shares have been issued as result of exercise of options.

## DIRECTORS' MEETINGS

Mint has established an Audit and Risk Management Committee and Remuneration and Nomination Committee. The number of Directors' meetings, number of committee meetings and the number of meetings attended by each of the Directors and committee members during the financial year under review are:

Director	Board Meetings		Audit & Risk Management Committee Meetings		Remuneration & Nomination Committee Meetings	
	Meetings held during Director's tenure	Meetings Attended	Meetings held during Director's tenure	Meetings Attended	Meetings held during Director's tenure	Meetings Attended
Alex Teoh	12	12	2	2	1	1
Andrew Teoh	12	12	2	2	1	1
Terry Cuthbertson	12	12	2	2	1	1
John Skippen	2	2	-	-	-	-

## DIRECTORS' INTERESTS

Particulars of Directors' interests in securities as at the date of this report are as follows:

Director	Ordinary Shares	Options over Ordinary Shares
Terry Cuthbertson	Nil	500,000
John Skippen	Nil	250,000
Alex Teoh <sup>1,2</sup>	102,980,000	-
Andrew Teoh <sup>1</sup>	100,950,000	-

1 The 100,950,000 securities are held by TAAJ Corporation Pty Ltd. The sole shareholder of TAAJ Corporation Pty Ltd is JAAT Holdings Pty Ltd, the trustee of the TAAJ Trust, of which Alex Teoh and Andrew Teoh are beneficiaries.

2 From the Initial Public Offering, Alex Teoh acquired 200,000 fully paid ordinary shares & Yin-Yin Teoh, the wife of Alex Teoh has acquired 1,830,000 fully paid ordinary shares.

Other than that stated above in relation to the options, there are no contracts to which the Director is a party or under which the Director is entitled to a benefit that confers a right for the Director to call for shares in Mint.

## INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Directors and the Secretary are indemnified by Mint against any liability incurred in their capacity as an officer of Mint or a related body corporate to the maximum extent permitted by law. Mint has a Directors and Officers Liability insurance.

Mint has not paid any premiums in respect of any contract insuring its auditor against a liability incurred in that role as an auditor of Mint. Pitcher Partners, Mint's auditor has the benefit of an indemnity to the extent Pitcher Partners reasonably relies on information provided by Mint which is false, misleading or incomplete. No amount has been paid under this indemnity during the financial year ending 30 June 2009 or to the date of this Report.

## NON-AUDIT SERVICES

Details of the amounts paid to Pitcher Partners as the auditor of Mint for audit and non-audit services provided during the year are set out in Note 19 to the financial statements.

The Directors are satisfied that:

- (a) the non-audit services provided during the financial year by Pitcher Partners

or related entities as the external auditor were compatible with the general standard of independence for auditors imposed by the Corporations Act; and

- (b) the non-audit services provided during the financial year by Pitcher Partners or related entities as the external auditor did not compromise the auditor independence requirements of the Corporations Act for the following reasons:
- Pitcher Partners or related entities services have not involved partners or staff acting in a managerial or decision making capacity within the Consolidated Entity or been involved in the processing or originating of transactions;
  - a description of all non-audit services undertaken by Pitcher Partners or related entities and the related fees have been monitored by the Board to ensure complete transparency in relation to services provided;
  - the non-audit services undertaken by Pitcher Partners or related entities are considered a standard commercial arrangement with respect to entities undertaking an initial public offering; and
  - the declaration required by section 307C of the Corporations Act confirming independence has been received from Pitcher Partners.

The Auditor's Independent Declaration under section 307C of the Corporations Act is set out on page 17 and forms a part of the Directors' Report for the period ended 30 June 2009.

## PROCEEDINGS ON BEHALF OF THE CONSOLIDATED ENTITY

During the year under review and in the interval between the end of the financial year and the date of the report, the Company or the Consolidated Entity has made no application for leave under section 237 of the Corporations Act.

## ENVIRONMENTAL REGULATION

The consolidated entity's operations are not subject to any significant environmental Commonwealth or State regulations or laws.

# Director's Report CONTINUED

FOR YEAR ENDED 30TH JUNE 2009

## REMUNERATION REPORT

This remuneration report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration**
- B Details of remuneration**
- C Service agreements**
- D Share-based compensation**
- E Additional information**

The information provided under headings A-D includes remuneration disclosures that are required under Accounting Standard AASB 124 - Related Party Disclosures. These disclosures have been transferred from the Financial Report and have been audited. The disclosures in Section E are additional disclosures required by the Corporations Act 2001 and the Corporations Regulations 2001 and are not subject to audit.

### A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

#### Remuneration Policies and Practices

In relation to remuneration issues, the Board has established some initial policies to ensure that Mint remunerates fairly and responsibly. The Remuneration Policy of the Board is designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate for the results delivered and to attract and maintain desirable Directors and employees.

The Remuneration and Nomination Committee reviews and recommends to the Board on matters of remuneration policy and specific emolument recommendations in relation to senior management and Directors. The remuneration structures reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders.

#### Non-executive Director Remuneration

##### 1. Fees

Non-Executive Director fees are determined within an aggregate Directors' fee pool limit, which will be periodically approved by shareholders in general meeting. The current limit is \$200,000 per annum.

The Non-Executive Directors have entered into Consulting Agreements with Mint as follows:

- Terry Cuthbertson  
Terry Cuthbertson as a Chairman of the Company was paid a Director's fee of \$12,500 per quarter (Inc GST) and reimbursement of all reasonable expenses.
- John Skippen

John Skippen as a Non Executive Director of the Company was paid a Director's fee of \$12,500 until his resignation on 22nd of September 2008.

##### 2. Equity Participation

The Non-Executive Directors may receive options as part of their remuneration. Details of the plan are in Note 18 of the financial statements.

##### 3. Retirement Benefits

The Non-Executive Directors do not receive retirement benefits.

##### 4. Superannuation

Given that Terry Cuthbertson (Non-Executive Director) provides consultancy services (through related companies), the Company is not required to pay the statutory guarantee contribution with respect to superannuation.

#### Executive Remuneration

##### 1. Salaries

Executives (including the Executive Directors) are offered a base salary which is reviewed on a periodic basis.

The Executive Directors have entered into Executive Services Agreements with Mint as follows:

- Alex Teoh

On 27 March 2007, the Company entered into an Executive Services Agreement with Alex Teoh in relation to his appointment as Chief Executive Officer (CEO) of the Company. The agreement commenced effective 1 January 2007. As CEO, Alex Teoh's duties are to:

- manage the Mint businesses
- formulate strategies to promote and improve the performance of the Mint businesses
- perform necessary managerial activities designated by the Board to fulfil the ambitions of the Company

As CEO, the Company pays Alex Teoh an annual salary of \$175,000 (inclusive of superannuation) and reimbursement of all reasonable expenses. Due to the current economic environment, the Executive Directors have voluntarily reduced their salary by 10% and from 1st March 2009 the current salary for Alex Teoh is \$157,500 (Inclusive of Superannuation). Details of the cash incentive payable to Alex Teoh are set out on page 12. The salary arrangements will be reviewed by the Remuneration & Nomination Committee (and then approved by the Board) on an annual basis.

- Andrew Teoh

On 27 March 2007, the Company entered into an Executive Services Agreement with Andrew Teoh in relation to his appointment as an Executive Director of the Company and as Managing Director of Mint Technology Pty Limited. The agreement commenced effective 1 January 2007. Generally, Andrew Teoh's duties are to:

- manage the business of Mint Technology Pty Limited
- assist with the management of the business of Mint (Aust) Pty Limited
- formulate strategies to promote and improve the performance of the Mint businesses
- perform necessary managerial activities designated by the Board to fulfil the ambitions of the Company

The Company pays Andrew Teoh an annual salary of \$155,000 (inclusive of superannuation) and reimbursement of all reasonable expenses. Due to the current economic environment, the Executive Directors have voluntarily reduced their salary by 10% from 1st March 2009, the current annual salary for Andrew Teoh is \$139,500 (Inclusive of Superannuation). Details of the cash incentive payable to Andrew Teoh are set out on page 12. The salary arrangement will be reviewed by the Remuneration & Nomination Committee (and then approved by the Board) on an annual basis.

## 2. Commissions

Sales Executives may receive a commission (expressed as a percentage) based on the number and or value of sales made during a period.

## 3. Cash Incentive

Executives may receive an individual performance

based bonus, measured against Board approved key performance indicators.

## 4. Equity Participation

Selected Executives are invited to participate in the Mint Wireless Limited Employee Option Plan. Details of the Plan are set out of page 15 of this Report and note 18 of the Financial Statements and below.

## 5. Termination Benefits

There are no termination benefits payable to Executives, other than payment of their statutory outstanding entitlements such as annual leave.

## 6. Other Benefits

Executives receive other benefits typical to their type of employment, which may include a mobile phone and laptop, and for certain salespeople, access to a Company vehicle.

## 7. Superannuation

Mint makes statutory employer contributions on behalf of Executives to the superannuation fund of their choice.

### [Relationship between Remuneration Policy and Mint's Performance - audited](#)

Details of the Cash Incentive and Option Plan are set out below. It is these performance conditions which demonstrate Mint's willingness to design a remuneration philosophy for the benefit of its employees and shareholders alike.

Description	Rationale
<p><b>Cash Incentive</b></p> <p>As stated above, Executives may receive an individual performance based bonus, measured against Board approved key performance indicators. The key performance indicators are both objective and subjective and examples include:</p> <ul style="list-style-type: none"> <li>• sales made per quarter (expressed both in a \$ and % value)</li> <li>• completion of contracts with key corporate clients of pre-determined size</li> <li>• successful implementation of strategic plan</li> </ul> <p><b>Employee Option Plan</b></p> <p>Subject to the achievement of performance conditions, options may vest and be converted into ordinary shares on a one-for-one basis. An exercise price is payable upon the conversion of options. Specific performance conditions are set with respect to each option award, and continuation of employment is a standard vesting condition. With respect to some awards, tiered performance conditions have been set by the Board, with multiple targets needing to be met prior to options vesting. Further details about the Plan are set out on note 18 of the Financial Statements.</p>	<p><b>The Cash Incentive is the short term "at risk" component of the Mint remuneration policy.</b></p> <p>The achievement of specific and desirable key performance indicators by employees will drive the growth, and is expected to heighten the profitability of the Company.</p> <p>Good financial and operational performance of the Company will increase shareholder value.</p> <p><b>The Option Plan is the longer term "at risk" component of the Mint remuneration policy.</b></p> <p>As with the cash incentive, the achievement of specific and desirable vesting conditions will improve the Company's performance, in turn increasing shareholder value.</p>

# Director's Report CONTINUED

FOR YEAR ENDED 30TH JUNE 2009

## B. DETAILS OF REMUNERATION (AUDITED)

Amounts of remuneration

Details of the remuneration of the Directors (Key Management Personnel as defined in AASB 124 Related Party Disclosures), and other Executives of Mint Wireless Limited and the Group are set out in the following table.

2009	SHORT TERM				POST EMPLOYMENT		EQUITY BASED PAYMENTS	TOTAL	PROPORTION OF REMUNERATION PERFORMANCE RELATED	VALUE OF OPTIONS AS PROPORTION OF REMUNERATION	
	Name	Cash salary and fees \$	Bonus \$	Non- Cash Benefit \$	Total \$	Superan- nuation \$					Retire- ment Benefits \$
<b>DIRECTORS</b>											
<b>Non-Executive</b>											
	Terry Cuthbertson <sup>1</sup>	54,545	-	-	<b>54,545</b>	-	-	-	<b>54,545</b>	-	-
	John Skippen <sup>2</sup>	12,500	-	-	<b>12,500</b>	-	-	-	<b>12,500</b>	-	-
<b>Executive Directors</b>											
	Alex Teoh	155,198	-	-	<b>155,198</b>	12,833	-	-	<b>168,031</b>	-	-
	Andrew Teoh	137,461	-	-	<b>137,461</b>	12,308	-	-	<b>149,769</b>	-	-
<b>Other Executives</b>											
	Ross Gillies Tuck	125,229	-	-	<b>125,229</b>	11,926	-	-	<b>137,155</b>	-	-
	Nigel Turner <sup>3</sup>	33,543	-	-	<b>33,543</b>	3,130	-	-	<b>36,673</b>	-	-
	Richard Clarke <sup>4</sup>	46,990	-	-	<b>46,990</b>	4,229	-	-	<b>51,219</b>	-	-
	Bobby Sanghera <sup>5</sup>	42,473	-	-	<b>42,473</b>	2,720	-	-	<b>45,193</b>	-	-
	<b>TOTAL</b>	<b>607,939</b>	-	-	<b>607,939</b>	<b>46,335</b>	-	-	<b>654,275</b>	-	-

1. Terry Cuthbertson was paid \$12,500 per quarter inclusive of GST.
2. John Skippen was paid \$4,500 per month till he resigned on 22nd September 2008.
3. Nigel Turner has resigned on 28th August 2008.
4. Richard Clarke has resigned 5th September 2008.
5. Bobby Sanghera has resigned on 12th September 2008.

2008	SHORT TERM				POST-EMPLOYMENT		EQUITY BASED PAYMENTS	TOTAL	PROPORTION OF REMUNERATION PERFORMANCE RELATED	VALUE OF OPTIONS AS PROPORTION OF REMUNERATION
	Name	Cash salary and fees \$	Bonus \$	Non- Cash Benefit \$	Total \$	Superan- nuation \$				
<b>DIRECTORS</b>										
<b>Non-Executive</b>										
Terry Cuthbertson	37,500	-	-	<b>37,500</b>	-	-	5,467	<b>42,967</b>	-	-
John Skippen	37,500	-	-	<b>37,500</b>	-	-	5,467	<b>42,967</b>	-	-
Graham Dowland <sup>1</sup>	68,045	-	-	<b>68,045</b>	-	-	-	<b>68,045</b>	-	-
David Ledger <sup>2</sup>	92,289	-	-	<b>92,289</b>	-	-	-	<b>92,289</b>	-	-
<b>Executive Directors</b>										
Alex Teoh	160,550	20,000	-	<b>180,550</b>	13,936	-	-	<b>194,486</b>	-	-
Andrew Teoh	142,202	10,000	-	<b>152,202</b>	12,780	-	-	<b>164,982</b>	-	-
<b>Other Executives</b>										
Jane McGrath <sup>3</sup>	104,757	9,559	15,282	<b>129,598</b>	11,424	-	-	<b>141,022</b>	-	-
Ross Gillies Tuck <sup>4</sup>	132,659	-	3,750	<b>136,409</b>	11,926	-	16,029	<b>164,363</b>	-	-
Nigel Turner <sup>5</sup>	155,077	-	-	<b>155,077</b>	13,460	-	8,014	<b>176,551</b>	-	-
Richard Clarke <sup>6</sup>	96,461	-	-	<b>96,461</b>	8,682	-	598	<b>105,741</b>	-	-
Bobby Sanghera	112,179	-	-	<b>112,179</b>	9,441	-	-	<b>121,620</b>	-	-
<b>TOTAL</b>	<b>1,139,219</b>	<b>39,559</b>	<b>19,032</b>	<b>1,197,810</b>	<b>81,649</b>	-	<b>35,575</b>	<b>1,315,034</b>	-	-

1. Directors Fees are paid as Consultancy Fees to Avalon Valley Pty Ltd.
2. Directors Fees are paid as Consultancy Fees to Capital Investment Partners Pty Limited (CIP).
3. Jane McGrath was employed from the date of incorporation until end of financial year 2008.
4. Ross Gillies Tuck has been employed from 10 April 2007.
5. Nigel Turner was employed from 3 July 2007 until 28 August 2008.
6. Richard Clarke was employed from 10 September 2007 until 5 September 2008.

The Key Management Personnel of the Company are the Directors (as named elsewhere in this report). Disclosures are also provided in respect other executives of the Company, reported for the purposes of section 300A (1) (c) (ii) and (iii) of the Corporations Act 2001.

No remuneration was paid to the Key Management Personnel of the Group other than by the Company. Accordingly, remuneration paid to Key Management Personnel of the Group is the same as that paid to Key Management Personnel of the Company.

During the financial year, no remuneration was paid in the form of a long term incentive bonus, non-monetary benefit, prescribed benefit or other benefit to a specified Director or specified executive.

Cash Incentives to the Executive Directors are dependent on the satisfaction of performance conditions. Grants of options under the Employee Option Plan to Executives and the Company Secretary are also dependent on the satisfaction of performance conditions. Other elements of remuneration are not directly related to performance.

During the year to 30 June 2009 no performance-related remuneration was paid or payable to Key Management Personnel of the Company.

# Director's Report CONTINUED

FOR YEAR ENDED 30TH JUNE 2009

## C. SERVICE AGREEMENTS (UNAUDITED)

### Summary of Key Contracts Terms

The key contract and other terms of the Executive Directors, Company Secretary and other Executives are set out below:

Contract Details	Executive Directors
<b>Duration of contracts</b>	Alex Teoh & Andrew Teoh Commenced on 1 January 2007 until indefinite.
<b>Termination notice periods</b>	Termination without notice: <ul style="list-style-type: none"> <li>• Immediately for serious misconduct or charged with a criminal offence.</li> </ul>
	Termination with notice: <ul style="list-style-type: none"> <li>• 3 months;</li> <li>• 1 month notice if the Executive commits any serious or persistent breach and the breach is not remedied within 28 days, or in the reasonable opinion of the Board the Executive demonstrates incompetence with regard to the performance of his duties under the agreement; or</li> <li>• by giving not less than 6 months written notice if the Executive is prevented from performing duties under the agreement by illness or injury for a period of six months during the term.</li> </ul>
	Voluntary termination: <ul style="list-style-type: none"> <li>• 3 months written notice; or</li> <li>• immediately by written notice if Mint commits any serious or persistent breach of any provisions of the agreement and the breach is not remedied within 28 days of receipt of written notice from the Executive.</li> </ul>
	Redundancy payment under Mint's policies at the time.
Contract Details	Company Secretary
<b>Duration of contracts</b>	Gary Stewart - No formal contract exists between the Company and the Company Secretary; Consultancy arrangement commenced on 1 July 2008.
<b>Termination notice periods</b>	Termination by Company: <ul style="list-style-type: none"> <li>• At any time</li> </ul>
	Termination by Company Secretary: <ul style="list-style-type: none"> <li>• 7 days</li> </ul>
<b>Termination payments</b>	None
Contract Details	Other Executives
<b>Duration of contracts</b>	Ross Gillies Tuck Nigel Turner - (Resigned 28th August 2008) Richard Clarke - (Resigned 5th September 2008)
<b>Termination notice periods</b>	Termination without notice: <ul style="list-style-type: none"> <li>• Immediately for:               <ul style="list-style-type: none"> <li>• a serious or persistent breach of the terms or conditions of the agreement;</li> <li>• persistent or wilful breach, non-observance, neglect or failure to discharge duties to the reasonable requirements of Mint;</li> <li>• disobedience to or neglect of lawful instructions or directions duly authorised; or</li> <li>• serious misconduct or charged with a criminal offence.</li> </ul> </li> </ul>
	Termination with notice: 4 weeks Voluntary termination: 2 weeks
<b>Termination payments</b>	Redundancy payment under Mint's policies at the time.

## D. SHARE-BASED COMPENSATION (AUDITED)

### Fair Value of Options, Rights and Shares – Factors

No Director or any Key Management Personnel described in this Report received options, rights or shares as part of their remuneration during the reporting year.

The following factors and assumptions were used in determining the fair value of options granted to Non Executive Directors & Key Management Personnel on entitlement date.

Tranche	Expiry date	Fair value per option (cents)	Exercise price (cents)	Price of share on grant date (cents)	Estimated volatility	Risk free interest	Dividend yield
2	30-Jun-11	0.14	0.25	0.17	140.3%	6.37%	0.00%
4	30-Jun-11	0.06	0.25	0.10	107.3%	6.40%	0.00%
5	30-Jun-11	0.06	0.25	0.10	107.3%	6.40%	0.00%

Tranche (1) and (3) related to employees who resigned during the year. The options in regard to these tranches have been cancelled.

Vested options may be exercised and converted to fully paid ordinary shares on a one-for-one basis.

### Options and Rights over Equity Instruments Granted as Compensation.

No Director or any Key Management Personnel described in this Report received options, rights or shares as part of their remuneration during the reporting year.

Details of the entitlement to options over ordinary shares in the Company that were granted as compensation during the reporting period and details on options that vested during the reporting period are as follows:

	Balance 1-Jul-08	Granted as remuneration	Options exercised	Balance when ceased to be a Director/Employee	Balance 30-Jun-09	Total vested 30-Jun-09	Total Exercisable 30-Jun-09
<b>Directors</b>							
Terry Cuthbertson	500,000	-	-	-	500,000	500,000	500,000
John Skippen	500,000	-	-	250,000	250,000	250,000	250,000
<b>Executives</b>							
Ross Gillies Tuck	500,000	-	-	-	500,000	500,000	500,000
Nigel Turner	250,000	-	-	250,000	-	-	-
Richard Clarke	250,000	-	-	250,000	-	-	-
Graham Chan	150,000	-	-	150,000	-	-	-
<b>Total</b>	<b>2,150,000</b>	<b>-</b>	<b>-</b>	<b>900,000</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>1,250,000</b>

### Exercise of Options

No shares were issued to Directors or any Key Management Personnel on the exercise of options or rights previously granted as compensation, during the reporting period.

# Director's Report CONTINUED

FOR YEAR ENDED 30TH JUNE 2009

## Analysis of Options and Rights over Equity Instruments Granted as Compensation

Name	DETAILS OF OPTIONS					VALUE YET TO VEST	
	Number	Grant Date	% vested in year	% forfeited in year <sup>1</sup>	Financial year in which grant vests	Min (\$) <sup>2</sup>	Max (\$) <sup>2</sup>
Terry Cuthbertson	250,000	18-Oct-07	100%	-	Nov 2007	-	-
	250,000	18-Oct-07	-	-	Dec 2008	-	-
John Skippen	250,000	18-Oct-07	-	-	Nov 2007	-	-
	250,000	18-Oct-07	-	100%	Dec 2008	-	-
Ross Gillies Tuck	500,000	9-Aug-07	25.68%	-	Jun 2008	-	-
Nigel Turner	250,000	9-Aug-07	-	100%	Jun 2008	-	-
Richard Clarke	250,000	9-Sept-07	-	100%	Jun 2008	-	-
Graham Chan	150,000	3-Aug-07	-	100%	Jun 2008	-	-

1. The percentage forfeited in the year represents the reduction from the maximum number of options available to vest due to the highest performance criteria not being achieved.
2. The minimum value of options yet to vest is \$nil as the performance criteria may not be met and consequently the option may not vest.
3. The maximum values presented above are based on the fair value of the options over their life calculated at entitlement date using a Black-Scholes Merton model.

## E. ADDITIONAL INFORMATION (UNAUDITED)

As detailed under headings A & B, remuneration of Executives consists of an unrisksed element (base pay) plus cash bonuses and grants of options based on performance in relation to key strategic measures linked to drivers of performance in future reporting periods. As such, remuneration is not linked to the financial performance of the Company in the current reporting period.

No cash bonuses were forfeited during the period by Directors, the Company Secretary or Key Management Personnel. Because the performance period with respect to the Executive Directors' Cash Incentive is measure on a calendar year basis, part of this Incentive remains unvested at year-end.

This report is made in accordance with a resolution of the Directors.



**ALEX TEOH**

**Managing Director**

Sydney, New South Wales

30th September 2009



**PITCHER PARTNERS**  
ACCOUNTANTS AUDITORS & ADVISORS

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A W HUBERTON  
M A GODLWESKI  
C W HOPE  
B W JONES  
D S MCGILL  
C RAMSINGTON  
Y E PITTSCH  
K N SHANLEY  
D W STAPLES  
P C WESTON  
D C YOUNG

CONSULTANTS:  
J S YOUNG  
D G BRAYSON  
P S ROWE

## AUDITOR'S INDEPENDENCE DECLARATION

### To the Directors of Mint Wireless Limited

In relation to the independent audit of Mint Wireless Limited for the year ended 30 June 2009, to the best of my knowledge and belief there have been:

- (i) no contravention of the auditor independence requirements of the Corporations Act 2001; and
- (ii) no contravention of any applicable code of professional conduct.

**MARK GODLWESKI**  
Partner

**PITCHER PARTNERS**

Sydney, 30 September 2009

# Income Statement

FOR YEAR ENDED 30TH JUNE 2009

		Consolidated Entity	Parent Entity	Consolidated Entity	Parent Entity
	Notes	2009	2009	2008	2008
		\$	\$	\$	\$
<b>Revenue</b>					
Sales revenue	6	12,039,883	-	4,709,813	-
Cost of goods sold		9,868,723	-	3,778,663	-
<b>Gross Profit</b>		<b>2,171,160</b>	<b>-</b>	<b>931,150</b>	<b>-</b>
<b>Other income</b>					
	6	<b>182,676</b>	<b>2,916</b>	<b>401,233</b>	<b>311,166</b>
Employee benefits expense		1,691,791	-	2,410,787	275,004
Depreciation & amortisation expense		132,258	54,095	126,877	105,500
Amortisation of IT Development		591,399	-	537,545	35,720
Finance costs		144,733	15,428	36,168	3,909
Administration, property & communication expenses		401,384	105,550	362,152	110,054
Provision for the impairment of investment in subsidiary		-	1,677,426	-	3,524,174
Rental expense		265,501	113,594	205,590	63,749
Distribution expense		214,064	925	150,877	4,988
Listing fees		68,047	26,363	101,479	67,175
Travel expense		145,281	10,942	225,028	31,654
Professional fees		334,721	71,829	670,961	237,819
Directors fees		54,166	37,455	163,508	147,766
Selling expenses		300,082	6,581	321,582	13,757
Other expenses		446,442	-	329,932	-
<b>Total Expenses</b>		<b>4,789,869</b>	<b>2,120,188</b>	<b>5,642,486</b>	<b>4,621,269</b>
<b>Profit/(Loss) before income tax</b>		<b>(2,436,034)</b>	<b>(2,117,272)</b>	<b>(4,310,103)</b>	<b>(4,310,103)</b>
Income tax (expense)/ credit	7	318,762	-	-	-
<b>Net loss attributable to members of the Company</b>		<b>(2,117,272)</b>	<b>(2,117,272)</b>	<b>(4,310,103)</b>	<b>(4,310,103)</b>
Basic earnings per share (cents)	21	(0.012)		(0.025)	
Diluted earnings per share (cents)	21	(0.012)		(0.025)	

# Balance Sheet

FOR YEAR ENDED 30TH JUNE 2009

		Consolidated Entity	Parent Entity	Consolidated Entity	Parent Entity
	Notes	2009	2009	2008	2008
		\$	\$	\$	\$
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		680,160	122,110	2,584,628	2,458,021
Receivables	8	1,829,728	3,371	580,606	1,890
Inventories	9	222,362	-	452,351	-
<b>TOTAL CURRENT ASSETS</b>		<b>2,732,250</b>	<b>125,481</b>	<b>3,617,585</b>	<b>2,459,911</b>
<b>NON CURRENT ASSETS</b>					
Other financial assets & subsidiaries	10	36,462	3,221,745	36,958	2,846,214
Property, plant and equipment	11	311,791	-	358,146	-
IT Development	12	1,553,787	-	1,938,755	-
<b>TOTAL NON CURRENT ASSETS</b>		<b>1,902,040</b>	<b>3,221,745</b>	<b>2,333,859</b>	<b>2,846,214</b>
<b>TOTAL ASSETS</b>		<b>4,634,290</b>	<b>3,347,226</b>	<b>5,951,444</b>	<b>5,306,125</b>
<b>CURRENT LIABILITIES</b>					
Payables	13	1,373,001	201,574	586,727	59,310
Provisions	14	156,212	40,575	142,368	24,466
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,529,213</b>	<b>242,149</b>	<b>729,095</b>	<b>83,776</b>
<b>TOTAL LIABILITIES</b>		<b>1,529,213</b>	<b>242,149</b>	<b>729,095</b>	<b>83,776</b>
<b>NET ASSETS</b>		<b>3,105,077</b>	<b>3,105,077</b>	<b>5,222,349</b>	<b>5,222,349</b>
<b>EQUITY</b>					
Contributed equity	15	11,559,560	11,559,560	11,559,560	11,559,560
Reserves	16	35,989	35,989	35,989	35,989
Accumulated Losses	16	(8,490,472)	(8,490,468)	(6,373,200)	(6,373,200)
<b>TOTAL EQUITY</b>		<b>3,105,077</b>	<b>3,105,077</b>	<b>5,222,349</b>	<b>5,222,349</b>

# Statement of Cashflows

FOR YEAR ENDED 30TH JUNE 2009

	Notes	Consolidated Entity 2009 \$	Parent Entity 2009 \$	Consolidated Entity 2008 \$	Parent Entity 2008 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Receipts from customers		10,975,085	-	4,714,234	-
Payments to suppliers and employees		(12,689,624)	(216,628)	(9,188,536)	(450,991)
Interest received		45,119	2,916	275,752	303,549
Operating grants		117,781	-	-	-
Tax Credit/ (expense)		119,333	-	-	-
Interest paid		(135,263)	(15,146)	(20,309)	-
<b>Net cash provided by (used in) operating activities</b>	20	<b>(1,567,569)</b>	<b>(228,858)</b>	<b>(4,218,859)</b>	<b>(147,442)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Investment in subsidiaries		-	(2,052,958)	-	(4,487,532)
Payment for property, plant and equipment		(129,026)	(54,095)	(121,836)	-
Payment for capital IT Development		(206,432)	-	(254,862)	-
<b>Net cash provided by (used in) investing activities</b>		<b>(335,458)</b>	<b>(2,107,053)</b>	<b>(376,698)</b>	<b>(4,487,532)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from share issue		-	-	8,700,000	8,700,000
Cost of IPO share issue		-	-	(815,498)	(815,498)
Proceeds from borrowings		<b>1,141,738</b>	-	-	-
Repayment of borrowings		(1,143,179)	-	(1,263,125)	(1,263,125)
<b>Net cash provided by (used in) financing activities</b>		<b>(1,441)</b>	<b>-</b>	<b>6,621,377</b>	<b>6,621,377</b>
<b>Net increase in cash and cash equivalents</b>		<b>(1,904,468)</b>	<b>(2,335,911)</b>	<b>2,025,820</b>	<b>1,986,403</b>
Cash and cash equivalents at beginning of year		2,584,628	2,458,021	558,808	471,618
<b>Cash and cash equivalents at end of the year</b>		<b>680,160</b>	<b>122,110</b>	<b>2,584,628</b>	<b>2,458,021</b>

# Statement of Changes to Equity

FOR YEAR ENDED 30TH JUNE 2009

Notes	Consolidated	Parent	Consolidated	Parent
	Entity	Entity	Entity	Entity
	2009	2009	2008	2008
	\$	\$	\$	\$
<b>Total Equity at the beginning of the year</b>	<b>5,222,349</b>	<b>5,222,349</b>	<b>1,439,070</b>	<b>1,439,070</b>
Cost of share issue	-	-	(634,262)	(634,262)
Employee share options	-	-	27,644	27,644
Profit/loss for the year	(2,117,272)	(2,117,272)	(4,310,103)	(4,310,103)
<b>Total recognised income and expense for the year</b>	<b>(2,117,272)</b>	<b>(2,117,272)</b>	<b>(4,916,721)</b>	<b>(4,916,721)</b>
<b>Transactions with equity holders in their capacity as equity holders:</b>				
Share issue	-	-	8,700,000	8,700,000
<b>Total equity at the end of the Year</b>	<b>3,105,077</b>	<b>3,105,077</b>	<b>5,222,349</b>	<b>5,222,349</b>

STATEMENT OF CHANGES TO EQUITY

MINT WIRELESS LIMITED

# Notes to the Financial Statements

FOR YEAR ENDED 30TH JUNE 2009

## 1 : CORPORATE INFORMATION

The financial report of Mint Wireless Limited (the Company or "Mint") for the year 30 June 2009 was authorised for issue on 30 September 2009 under delegated authority in accordance with a resolution of the Directors on 30 September 2009.

Mint Wireless Limited (the Parent Entity) is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The financial report includes separate financial statements for the parent as an individual entity and the Consolidated Entity comprised by Mint and its subsidiaries ("Group or Consolidated Entity")

The nature of the operations and principal activities of the Group are described in the Directors' Report and in note 3.

## 2 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. The financial report has also been prepared on a historical cost basis.

### Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the reporting year ending 30 June 2009.

### Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group incurred a net loss of \$2,117,272 for the year 30 June 2009 and had a net cash outflow from operations of \$1,567,569 for the year. As at 30 June 2009 the Group had cash assets of \$680,160 and net current liabilities of \$1,529,213. The financial report has nonetheless been prepared on a going concern basis which the Directors consider to be appropriate based upon the forecast for the year ending 30 June 2010. Other factors include secured orders from major retail groups. The Group is also continuing to reduce operational costs and has secured financing facilities of up to \$2,250,000.

On 1st July 2009, the Company has secured an additional \$3,000,000 in financing facilities at lower costs to accommodate for the continued growth of business.

### b) Principles of consolidation

The consolidated financial statements are those of the Consolidated Entity comprising the Parent Entity and its controlled entities.

Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased.

The financial statements of subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The balances and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated. Un-realised losses are eliminated unless costs cannot be recovered.

Investments in controlled entities are carried at cost, as calculated based on the fair value of consideration paid in the financial statements of the Company.

### c) Acquisitions of assets

The purchase method of accounting is used for all acquisitions of assets (including business combinations). Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of the acquisition plus incidental costs directly attributable to the acquisition.

Where equity instruments are issued in an acquisition, the value of the instruments is their market price as at the acquisition date, unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary acquired,

the difference is recognised as a gain in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

#### d) Cash and cash equivalents

Cash on hand and in banks and short-term deposits is stated at nominal value.

For the purposes of the statement of cashflows, cash and cash equivalents includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdrafts.

#### e) Intangible assets

Intangible assets acquired in a business combination

All potential intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair value can be measured reliably. Amortisation of IT development is charged on a straight line basis over their expected useful lives of 5 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

Patents, trademarks and licenses

Patents, trademarks and licences are recorded at cost less accumulated amortisation and impairment.

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;

- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

#### f) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

#### g) Revenue recognition

Sale of goods

Revenue from the sale of goods and disposal of other assets is recognised when the Consolidated Entity has transferred to the buyer the significant risks and rewards of ownership of the goods.

Software licence fees

Revenue from the sale of software licences is recognised on an accruals basis in accordance with the substance of the relevant agreement.

Dividend and interest revenue

Dividend revenue is recognised on a receivable basis. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

#### h) Goods and services tax

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

- where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances 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, with the exception of accrued expenses and expense provisions, are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

Cash flows are included in the statement of cashflows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

# Notes to the Financial Statements CONTINUED

FOR YEAR ENDED 30TH JUNE 2009

## i) Income tax

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

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

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

- (i) except where the deferred income tax 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; or
- (ii) in respect of taxable temporary differences associated with investments in subsidiaries, 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:

- (i) 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; or
- (ii) in respect of deductible temporary difference associated with investments in subsidiaries, 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 difference 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 tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company / Consolidated Entity intends to settle its current tax assets and liabilities on a net basis.

As at the date of this report, deferred tax assets have been recognised only to the extent to which they offset deferred tax liabilities as it is not yet considered sufficiently probable that future taxable profits will be generated in the appropriate jurisdictions to enable these to be utilised.

## Tax Consolidation

The parent entity and its controlled entities have formed an income tax consolidated group under the tax consolidation legislation. The parent entity is responsible for recognising the current tax liabilities and deferred tax assets arising in respect of tax losses, for the tax consolidated group. The tax consolidated group will also enter a tax funding agreement whereby each Company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

## j) Foreign currency

Foreign currency transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction.

Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date.

Exchange differences are recognised in profit or loss in the period in which they arise.

The functional currency of Mint Wireless Limited and all of its subsidiaries is Australian dollars.

## k) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Consolidated Entity. Trade accounts are normally settled within 30-60 days.

Payables to related parties are carried at amortised cost. Interest, when charged by the lender, is recognised using the effective interest rate method.

**l) Trade and other receivables**

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

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

**m) Issued capital**

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

**n) Investments and other financial assets**

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

**o) Earnings per share**

Basic earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share are calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares,

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

**p) Leased assets**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

**q) Property, plant & equipment**

Plant and equipment and fixtures & fittings are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method.

The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Fixtures and fittings	5 years
Plant and equipment	5 - 15 years

**r) Provisions**

Provisions are recognised when the Consolidated Entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

Provisions are made in respect of the consolidated group's estimated liability on all products and services under warranty at balance date. The provision is measured as the present value of future cash flows estimated to be required to settle warranty obligations. As the group has limited warranty experience the provision is based on current expectations.

# Notes to the Financial Statements CONTINUED

FOR YEAR ENDED 30TH JUNE 2009

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

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

An onerous contract is considered to exist where the Consolidated Entity has a contract under which the unavoidable cost of meeting the contractual obligations exceed the economic benefits estimated to be received. Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the economic benefits estimated to be received.

## s) Share based payments

Share-based compensation benefits are provided to employees via the Mint Wireless Limited Employee Option Plan.

The fair value of options granted under the Mint Wireless Limited Employee Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

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.

The fair value of the options granted is adjusted to reflected market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the

number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

## t) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

## u) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and these benefits can be measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Consolidated Entity in respect of services provided by employees up to reporting date.

## Defined contribution superannuation plans

Contributions to defined contribution superannuation plans are expensed when incurred.

#### v) Impairment of assets

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

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the income statement immediately

#### w) New accounting standards & interpretations

The following standards and interpretations have been issued at the reporting date but are not yet effective. The Directors have not assessed the impact of these new or amended statements and Interpretations (to the extent relevant to the group).

AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114,

116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136] (applicable for annual reporting periods commencing from 1 January 2009). These standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application. In this regard, its impact on the Group will be unable to be determined. The following changes to accounting requirements are included:

- acquisition costs incurred in a business combination will no longer be recognised in goodwill but will be expensed unless the cost relates to issuing debt or equity securities;
- contingent consideration will be measured at fair value at the acquisition date and may only be provisionally accounted for during a period of 12 months after acquisition;
- a gain or loss of control will require the previous ownership interests to be remeasured to their fair value;
- there shall be no gain or loss from transactions affecting a parent's ownership interest of a subsidiary with all transactions required to be accounted for through equity (this will not represent a change to the Group's policy);
- dividends declared out of pre-acquisition profits will not be deducted from the cost of an investment but will be recognised as income;
- impairment of investments in subsidiaries, joint ventures and associates shall be considered when a dividend is paid by the respective investee; and
- where there is, in substance, no change to Group interests, parent entities inserted above existing Groups shall measure the cost of its investments at the carrying amount of its share of the equity items shown in the balance sheet of the original parent at the date of reorganisation.

The Group will need to determine whether to maintain its present accounting policy of calculating goodwill acquired based on the parent entity's share of net assets acquired or change its policy so goodwill recognised also reflects that of the non-controlling interest.

AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable

# Notes to the Financial Statements CONTINUED

FOR YEAR ENDED 30TH JUNE 2009

for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's Board for the purposes of decision making. While the impact of this standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management does not presently believe impairment will result however.

AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Group. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the Group as a policy of capitalising qualifying borrowing costs has been maintained by the Group.

AASB 2008-1: Amendments to Australian Accounting Standard — Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.

AASB 2008-2: Amendments to Australian Accounting Standards — Puttable Financial Instruments and Obligations Arising on Liquidation [AASB 7, AASB 101, AASB 132 & AASB 139 & Interpretation 2] (applicable for annual reporting periods commencing from 1 January 2009). These amendments introduce an exception to the definition of a financial liability to classify as equity instruments certain puttable financial instruments and certain other financial instruments that impose an obligation to deliver a pro-rata share of net assets only upon liquidation.

AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) [AASB 2008-5] and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) [AASB 2008-6] detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.

AASB 2008-8: Amendments to Australian Accounting Standards — Eligible Hedged Items [AASB 139] (applicable for annual reporting periods commencing from 1 July 2009). This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations and is not expected to materially affect the Group.

AASB 2008-13: Amendments to Australian Accounting Standards arising from AASB Interpretation 17 — Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110] (applicable for annual reporting periods commencing from 1 July 2009). This amendment requires that non-current assets held for distribution to owners be measured at the lower of carrying value and fair value less costs to distribute.

AASB Interpretation 15: Agreements for the Construction of Real Estate (applicable for annual reporting periods commencing from 1 January 2009). Under the interpretation, agreements for the construction of real estate shall be accounted for in accordance with AASB 111 where the agreement meets the definition of 'construction contract' per AASB 111 and when the significant risks and rewards of ownership of the work in progress transfer to the buyer continuously as construction progresses. Where the recognition requirements in relation to construction are satisfied but the agreement does not meet the definition of 'construction contract', revenue is to be accounted for in accordance with AASB 118. Management does not believe that this will represent a change of policy to the Group.

AASB Interpretation 16: Hedges of a Net Investment in a Foreign Operation (applicable for annual reporting periods commencing from 1 October 2008). Interpretation 16 applies to entities that hedge foreign currency risk arising from net investments in foreign operations and that want to adopt hedge accounting. The interpretation provides clarifying guidance on several issues in accounting for the hedge of a net investment in a foreign operation and is not expected to impact the Group.

AASB Interpretation 17: Distributions of Non-

cash Assets to Owners (applicable for annual reporting periods commencing from 1 July 2009). This guidance applies prospectively only and clarifies that non-cash dividends payable should be measured at the fair value of the net assets to be distributed where the difference between the fair value and carrying value of the assets is recognised in profit or loss.

The Group does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Group's financial statements.

### 3 : SEGMENT INFORMATION

#### (a) Primary Segment Information

Business segments	Mobile Payment System 2009 \$	Technology 2009 \$	Eliminations and Corporate 2009 \$	Consolidated 2009 \$	Mobile Payment System 2008 \$	Technology 2008 \$	Eliminations and Corporate 2008 \$	Consolidated 2008 \$
<b>REVENUE</b>								
Sales to customers outside the consolidated entity	223,653	11,816,230	-	12,039,883	261,776	4,448,037	-	4,709,813
Other revenue	145,098	9,450	28,128	182,676	10,972	88,761	301,500	401,233
Total segment revenue	368,751	11,825,680	28,128	12,222,559	272,748	4,536,798	301,500	5,111,046
Expenses	1,490,533	11,344,695	1,823,365	14,658,593	2,464,331	4,767,992	2,188,826	9,421,149
<b>RESULTS</b>								
Segment result	(1,121,782)	480,985	(1,795,237)	(2,436,034)	(2,191,583)	(231,194)	(1,887,326)	(4,310,103)
<b>Consolidated entity loss from ordinary activities before income tax expense</b>								
	(1,121,782)	480,985	(1,795,237)	(2,436,034)	(2,191,583)	(231,194)	(1,887,326)	(4,310,103)
Income tax (expense)/ credit	318,762	-	-	318,762	-	-	-	-
Consolidated entity loss from ordinary activities after income tax expense	(803,020)	480,985	(1,795,237)	(2,117,272)	(2,191,583)	(231,194)	(1,887,326)	(4,310,103)
<b>ASSETS</b>								
Segment assets	2,180,113	2,332,067	122,110	4,634,290	2,508,097	983,437	2,459,910	5,951,444
<b>Total assets</b>	2,180,113	2,332,067	122,110	4,634,290	2,508,097	983,437	2,459,910	5,951,444
<b>LIABILITIES</b>								
Segment liabilities	(232,821)	(1,057,613)	(238,779)	(1,529,213)	(366,641)	(278,679)	(83,775)	(729,095)
<b>Total liabilities</b>	(232,821)	(1,057,613)	(238,779)	(1,529,213)	(366,641)	(278,679)	(83,775)	(729,095)
<b>OTHER SEGMENT INFORMATION</b>								
Depreciation and amortisation of segment assets	634,295	35,267	54,095	723,657	537,545	-	126,877	664,422
Capital expenditure	292,334	-	-	292,334	376,698	-	-	376,698
Cashflow - operating	(1,044,946)	(340,521)	(182,102)	(1,567,569)	(2,316,307)	427,830	(2,330,382)	(4,218,859)
Cashflow - financing	-	-	(1,441)	(1,441)	-	-	6,621,377	6,621,377
Cashflow - investing	(335,458)	-	-	(335,458)	(376,698)	-	-	(376,698)
Impairment Losses	-	-	-	-	-	-	-	-

# Notes to the Financial Statements CONTINUED

FOR YEAR ENDED 30TH JUNE 2009

## 4 : FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

Mint Wireless Limited's Audit and Risk Management Committee (Committee) assists the Board of Directors (Board) performs the duties of a risk management committee in identifying and evaluating sources of financial and other risks. The Committee and Board seek to balance the potential adverse effects of financial risks on Mint's financial performance and position with the "upside" potential made possible by exposure to these risks and by taking into account the costs and expected benefits of the various methods available to manage them.

AASB 132 Financial Instruments Presentation and Disclosure requires the disclosure of information to assist users of the financial report in assessing the extent of risks related to financial instruments faced by the Group. These risks include financial risks such as market risks (including currency risk, fair value interest rate risk and commodity price risk), credit risk & liquidity risk. These disclosures are not nor are they intended to be an exhaustive list of risks to which Mint is exposed.

### a) Market risk

#### i) Foreign exchange risk

Mint Wireless Limited is based in Australia, its shares are listed on the Australian Securities Exchange and the Consolidated Entity reports its financial performance and position in Australian dollars (A\$). The Group operates internationally, with the result being that the Group is to some extent exposed to foreign exchange risk arising from fluctuations predominantly in the A\$/US\$ exchange rate. As at balance sheet date, the Board's position is take up forward contracts for all the confirmed orders so as to minimise exposure to adverse foreign exchange fluctuations.

#### ii) Interest rate risk and fair values

As the Group has certain floating interest rate deposits there is a risk that the economic value of these deposits may fluctuate because of changes in market interest rates. This risk is considered an acceptable by-product of the Group's efforts to manage its cash flow obligations. As at balance sheet date, the fair value of financial assets and liabilities is equivalent to their carrying amount.

The table below sets out the carrying amount of the financial instruments exposed to interest rate risk (all of which mature within one year):

Notes	Consolidated Entity 2009 \$	Parent Entity 2009 \$	Consolidated Entity 2008 \$	Parent Entity 2008 \$
<b>FINANCIAL ASSETS</b>				
Cash Assets	680,160	122,110	2,584,628	2,458,021
(Weighted average effective interest rate 6.0%)				
<b>Financial Liabilities</b>				
Borrowings from related parties	-	-	-	-

#### iii) Commodity price risk

As a result of its operations the Group is exposed to commodity price risk arising due to fluctuations in the prices of all products. The demand for, and prices of, these devices are dependent on a variety of factors, including:

Supply and demand;

- The level of consumer product awareness;
- Demand for complementary and competing products;
- Technological progress;
- Actions taken by governments and international cartels; and,
- Global economic and political developments.

As at balance sheet date, the Board has formed the view that it would not be beneficial for the Group to purchase forward contracts or other derivative financial instruments to hedge this commodity price risk. Factors which the Board considered in arriving at this position included the cost of purchasing such instruments and the inherent difficulties associated with forecasting future demand. The Board may reconsider its position with regard to hedging against commodity price risk in the future.

### b) Credit risk

The Group trades only with recognised, trustworthy third parties and it is the Group's policy to perform credit verification procedures in relation to any customers wishing to trade on credit terms with the Group. The Group's maximum exposure to credit risk arising from potential default of the counter-party is equal to the carrying value of receivables.

### c) Liquidity risk

Prudent liquidity management involves the maintenance of sufficient cash, marketable securities, committed credit facilities and access to capital markets. It is the policy of the Board to ensure that the Group is able to meet its financial obligations and maintain the flexibility to pursue attractive investment opportunities through keeping committed credit lines available where possible, ensuring the Group has sufficient working capital.

The group has finance facilities of approx \$5,250,000, of this amount \$3,000,000 was available from 1 July 2009 as an unconditional facility at the discretion of the Company to be used as needed.

### Summarised sensitivity analysis

The following table summarises the sensitivity of the Group's financial assets & financial liabilities to interest rate risk, foreign exchange risk & other price risk.

	Carrying amount \$	INTEREST (AUD)				FOREIGN EXCHANGE (USD)			
		-1% 2009		+1% 2009		-10% 2009		+10% 2009	
		Profit \$	Equity	Profit \$	Equity	Profit \$	Equity	Profit \$	Equity
<b>Financial Assets</b>									
Cash & cash equivalents	680,160	(6,802)	(6,802)	6,802	6,802	-	-	-	-
Accounts receivable	1,829,728	-	-	-	-	(20,436)	(20,436)	20,436	20,436
<b>Financial Liabilities</b>									
Trade payables	1,373,002	-	-	-	-	70,186	70,186	(70,186)	(70,186)
<b>Total increase / (decrease)</b>		<b>(6,802)</b>	<b>(6,802)</b>	<b>6,802</b>	<b>6,802</b>	<b>(49,750)</b>	<b>(49,750)</b>	<b>49,750</b>	<b>49,750</b>

## 5 : CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

In preparing this Financial Report the Group has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

### a) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

#### Capitalisation of IT development expenditure

The Group capitalised IT development expenditure (including amounts arising on acquisition of \$2,264,177 in 4 October 2006) on the basis either that this is expected to be recouped through future successful exploitation of the associated technology or through subsequent sale of the asset.

#### Deferred tax assets

The Group has carried forward tax losses which have not been recognised as deferred tax assets as it is not yet considered sufficiently probable that these losses will be recouped by means of future profits taxable in the relevant jurisdictions.

### b) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

#### Impairment of IT development expenditure

The future recoverability of capitalised IT development expenditure is dependent on a number of factors, including whether the Group decides to continue to exploit the related technology itself or, if not, whether it successfully recovers the related asset through sale.

Factors that could impact the future recoverability include the level of market demand, future technological changes, costs of commercialisation, input costs, future legal changes and changes to the pricing structure for credit card payment gateways.

As at 30 June 2009, the carrying value of capitalised IT development is \$1,553,787.

# Notes to the Financial Statements CONTINUED

FOR YEAR ENDED 30TH JUNE 2009

## 6 : REVENUE

	Consolidated Entity	Parent Entity	Consolidated Entity	Parent Entity
Notes	2009	2009	2008	2008
	\$	\$	\$	\$
<b>Revenues from continuing operations</b>				
Sales Revenue				
Revenue from sale of goods	11,967,369	-	4,692,481	-
Revenue from services	72,514	-	17,332	-
	<b>12,039,883</b>	<b>-</b>	<b>4,709,813</b>	<b>-</b>
Other Income				
Miscellaneous income	137,557	-	23,631	-
Interest – other persons	45,119	2,916	312,736	311,166
Foreign exchange gains	-	-	64,866	-
	<b>182,676</b>	<b>2,916</b>	<b>401,233</b>	<b>311,166</b>

## 7 : INCOME TAX

	Consolidated Entity	Parent Entity	Consolidated Entity	Parent Entity
Notes	2009	2009	2008	2008
	\$	\$	\$	\$
<b>(a) The components of tax expense:</b>				
Current tax (expense)/Credit	318,762	-	-	-
<b>Total Income tax (expense)/ Credit</b>	<b>318,762</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(b) The prima facie tax, using tax rates applicable in the country of operation, on profit differs from the income tax provided in the financial statements as follows:**

Loss before tax from continuing operations	(2,436,034)	(2,436,034)	(4,310,103)	(4,310,103)
<b>Total loss before income tax</b>	<b>(2,436,034)</b>	<b>(2,436,034)</b>	<b>(4,310,103)</b>	<b>(4,310,103)</b>
At the statutory income tax rate of 30% (2008: 30%)	(730,810)	(730,810)	(1,293,031)	(1,293,031)
Less tax losses not recognised	730,810	730,810	1,293,031	1,293,031
R & D Rebate	318,762	-	-	-
<b>Income tax (expense)/Credit</b>	<b>318,762</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at the date of this report, no deferred tax asset have been recognised as it is not yet considered sufficiently probable that future taxable profits will be generated in the appropriate jurisdictions to enable these to be utilised.

## 8 : RECEIVABLES

		Consolidated Entity	Parent Entity	Consolidated Entity	Parent Entity
	Notes	2009	2009	2008	2008
		\$	\$	\$	\$
<b>CURRENT</b>					
Trade receivables	(a)	1,636,518	-	446,844	-
Allowance for doubtful debts		(21,215)	-	(12,544)	-
		<b>1,615,303</b>	<b>-</b>	<b>434,300</b>	<b>-</b>
Prepayments	(b)	14,996	-	138,471	-
Income Tax and withholding tax receivable		199,429	3,371	7,835	1,890
		<b>214,425</b>	<b>3,371</b>	<b>146,306</b>	<b>1,890</b>
		<b>1,829,728</b>	<b>3,371</b>	<b>580,606</b>	<b>1,890</b>

**(a) Impaired receivables**

As at 30 June 2009 current trade receivables of the group with a nominal value of \$21,215 (2008: \$12,544) were impaired. The amount of the allowance for doubtful debt was \$21,215 (2008: \$12,544). The individually impaired receivables mainly relate to retailers which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. There were no impaired trade receivables for the parent in 2009 or 2008.

0-3 months	-	-	-	-
3-6 months	21,215	-	12,544	-
over 6 months	-	-	-	-
	<b>21,215</b>	<b>-</b>	<b>12,544</b>	<b>-</b>

**Movements in the provision for impairment of receivables.**

At 1 July	12,543	-	8,550	-
Provision for impairment recognised during the year	8,672	-	3,994	-
Receivables written off	-	-	-	-
Unused amount reversed	-	-	-	-
	<b>21,215</b>	<b>-</b>	<b>12,544</b>	<b>-</b>

**Receivables not impaired**

0-3 months	1,498,046	-	434,888	-
3-6 months	117,257	-	(588)	-
over 6 months	-	-	-	-
	<b>1,615,303</b>	<b>-</b>	<b>434,300</b>	<b>-</b>

(i) The creation and release of the provision for impaired receivables has been included in 'other expenses' in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

(ii) As of 30 June 2009, trade receivables of \$1,615,303 (2008: \$434,300) were due but not impaired.

(b) This relates to a vendor prepayment for stocks to various suppliers.

# Notes to the Financial Statements CONTINUED

FOR YEAR ENDED 30TH JUNE 2009

## 9 : INVENTORIES

	Notes	Consolidated Entity 2009 \$	Parent Entity 2009 \$	Consolidated Entity 2008 \$	Parent Entity 2008 \$
<b>CURRENT</b>					
Finished goods					
	- at cost	642,682	-	872,670	-
	- provision for obsolescence	(420,319)	-	(420,319)	-
	<b>Total Inventories</b>	<b>222,362</b>	<b>-</b>	<b>452,351</b>	<b>-</b>

## 10: OTHER FINANCIAL ASSETS

	Notes	Consolidated Entity 2009 \$	Parent Entity 2009 \$	Consolidated Entity 2008 \$	Parent Entity 2008 \$
<b>NON-CURRENT</b>					
Security Deposits	(i)	36,462	-	36,958	-
		<b>36,462</b>	<b>-</b>	<b>36,958</b>	<b>-</b>
Investments in controlled entities					
	At cost	-	9,209,274	-	7,292,619
	Less provision for Impairment	-	(5,987,529)	-	(4,446,405)
		<b>-</b>	<b>3,221,745</b>	<b>-</b>	<b>2,846,214</b>
		<b>36,462</b>	<b>3,221,745</b>	<b>36,958</b>	<b>2,846,214</b>

(i) Security deposits are for the Sydney & Melbourne office.

### a) Wholly-owned Group

Details of interests in wholly-owned controlled entities are set out at part (b) of this note. Details of dealings with controlled entities are as follows:

#### Inter-Company accounts

Mint Wireless Limited provides working capital to its controlled entities. Transactions between Mint Wireless Limited and other controlled entities in the wholly-owned Group during the year ended 30 June 2009 consisted of:

- (i) Working capital advanced by Mint Wireless Limited;
- (ii) Provision of services by Mint Wireless Limited; and
- (iii) Expenses paid by Mint Wireless Limited on behalf of its controlled entities.

The above transactions were made interest free with no fixed terms for repayment.

At balance date amounts receivable from controlled entities totalled \$9,209,274 (at cost) (note 10). In accordance with the Company's accounting policies (note 2 (v)) an impairment provision of \$5,987,529 (note 10) has been recognised in respect of these receivables.

### b) Investments in Controlled Entities

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding %
<b>Controlled Entities</b>			
Mint (Aust) Pty Limited	Australia	Ordinary	100
Mint Technology Pty Limited	Australia	Ordinary	100
Mobile Content Management Pty Limited	Australia	Ordinary	100

### c) Ultimate Parent Company

The ultimate parent Company in the wholly-owned Group is Mint Wireless Limited, a Company incorporated in Australia.

## 11 : PROPERTY, PLANT AND EQUIPMENT

Notes	Consolidated	Parent	Consolidated	Parent
	Entity	Entity	Entity	Entity
	2009	2009	2008	2008
	\$	\$	\$	\$
<b>Plant and equipment &amp; IT</b>				
Carrying amount at beginning	358,146	-	292,557	-
Additions	85,903	-	192,466	-
Disposals	-	-	-	-
Additions through acquisition of entities / operations	-	-	-	-
Depreciation expense	(132,258)	-	(126,877)	-
Impairment	-	-	-	-
Net foreign currency movements arising from foreign operation	-	-	-	-
	<b>311,791</b>	<b>-</b>	<b>358,146</b>	<b>-</b>

## 12 : IT DEVELOPMENT

## At 30 June 2009

## IT Development

IT Development	3,014,825	-	2,808,383	-
Accumulated impairment loss	(1,461,028)	-	(869,628)	-
<b>Net carrying amount</b>	<b>1,553,797</b>	<b>-</b>	<b>1,938,755</b>	<b>-</b>

## Year ended 30 June 2009

## Opening net book amount

Opening net book amount	1,938,755	-	2,203,309	-
Additions	206,431	-	272,991	-
Additions through acquisition of entities / operations	-	-	-	-
Amortisation charge	(591,399)	-	(537,545)	-
<b>Closing net book value</b>	<b>1,553,787</b>	<b>-</b>	<b>1,938,755</b>	<b>-</b>

## 13 : PAYABLES

## CURRENT

Trade payables	1,373,001	135,694	389,548	15,634
Other payables	-	65,881	197,179	43,676
	<b>1,373,001</b>	<b>201,574</b>	<b>586,727</b>	<b>59,310</b>

## 14 : PROVISIONS

## CURRENT

Provision for warranty	(i)	49,203	-	49,203	-
Employee benefits	(ii)	107,009	40,575	93,165	24,466
		<b>156,212</b>	<b>40,575</b>	<b>142,368</b>	<b>24,466</b>

## NON-CURRENT

Employee benefits		-	-	-	-
		<b>156,212</b>	<b>40,575</b>	<b>142,368</b>	<b>24,466</b>

# Notes to the Financial Statements CONTINUED

FOR YEAR ENDED 30TH JUNE 2009

## 14 : PROVISIONS (CONTINUED)

(i) A provision of \$49,203 as at 30 June 2009 has been recognized for estimated warranty claims in respect of products sold which are still under warranty at balance date. The provision for warranty is based on current experience & expectations.

(ii) Movements in provisions for employee benefit

Notes	Consolidated	Parent	Consolidated	Parent
	Entity	Entity	Entity	Entity
	2009	2009	2008	2008
	\$	\$	\$	\$
Carrying amount at the beginning of the year	93,165	24,466	57,681	5,219
Additional provision recognised	113,886	15,474	103,234	38,941
Utilised during the year	(100,042)	(636)	(67,750)	(19,694)
<b>Carrying amount at the end of the year</b>	<b>107,009</b>	<b>40,575</b>	<b>93,165</b>	<b>24,466</b>

## 15 : CONTRIBUTED EQUITY

	2009		2008	
	No.	\$	No.	\$
<b>(a) Issued and paid up capital</b>				
Ordinary Shares	175,937,500	11,559,560	175,937,500	11,559,560
	<b>175,937,500</b>	<b>11,559,560</b>	<b>175,937,500</b>	<b>11,559,560</b>

	Date	No. of shares	Issue Price	\$
<b>(b) Movements in shares on issue</b>				
Beginning of the financial year	01-Jul-08	175,937,500		11,559,560
Issued during the year		-		-
<b>Closing Balance</b>	<b>30-Jun-09</b>	<b>175,937,500</b>		<b>11,559,560</b>

### 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 shares held. On a show of hands every holder of ordinary shares present at a meeting or by proxy, is entitled to one vote. Upon a poll every holder is entitled to one vote per share held. Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the Company does not have authorised capital, nor par value in respect of its issued shares.

## 16 : RESERVES AND ACCUMMULATED LOSSES

Notes	Consolidated	Parent	Consolidated	Parent
	Entity	Entity	Entity	Entity
	2009	2009	2008	2008
	\$	\$	\$	\$
<b>a) Share based payment reserve</b>				
Balance at the beginning of year	35,989	35,989	8,345	8,345
Movement during the year	-	-	27,644	27,644
<b>Balance at end of year</b>	<b>35,989</b>	<b>35,989</b>	<b>35,989</b>	<b>35,989</b>
<b>b) Accumulated Losses</b>				
Balance at the beginning of year	(6,373,200)	(6,373,200)	(2,063,097)	(2,063,097)
Net loss attributable to members of Mint Wireless Limited	(2,117,272)	(2,117,272)	(4,310,103)	(4,310,103)
<b>Balance at end of year</b>	<b>(8,490,472)</b>	<b>(8,490,472)</b>	<b>(6,373,200)</b>	<b>(6,373,200)</b>

## 17: OPTIONS

As at balance date, the Company and Consolidated Entity has the following class of options on issue:

Description	Number	Exercise Price (cents)	Expiry
Unlisted options	750,000	0.25	30/06/2011
Grants under Employee Share Option Plan (details below)	500,000	0.25	30/06/2011
<b>Total</b>	<b>1,250,000</b>		

Options carry no dividend or voting rights. Upon exercise, each option is convertible into one ordinary share to rank pari passu in all respects with the Company's existing fully paid ordinary shares.

Mint Wireless Limited Employee Share Option Plan

Each option granted under the Mint Wireless Limited Employee Option Plan entitles the employee to acquire one ordinary share of Mint Wireless Limited. There are no voting or dividend rights attaching to the options until they are exercised by the employee, at which point ordinary shares which rank equally with all other Mint shares are issued and quoted on the ASX. The options cannot be transferred and will not be quoted on the ASX.

All options expire on the earlier of their expiry date or termination of the individual's employment. Should the Vesting Conditions (described below) not be met, options will lapse.

# Notes to the Financial Statements CONTINUED

FOR YEAR ENDED 30TH JUNE 2009

## 17: OPTIONS (CONTINUED)

### (a) Share based payments

Mint Wireless Employee Limited Option Plan	Grant date	2009 Number	Vesting date	Exercise price	Expiry
Vesting conditions					
12 months employment plus achievement of Board approved KPIs	9-Aug-07	500,000	30-Jun-08	0.250	30-Jun-11
12 months employment plus achievement of Board approved KPIs	28-Nov-07	500,000	27-Nov-07	0.250	30-Jun-11
12 months employment plus achievement of Board approved KPIs	28-Nov-07	250,000	31-Dec-08	0.250	30-Jun-11
<b>Grants under Employee Share Option Plan</b>		<b>1,250,000</b>			
<b>Unlisted Options</b>		<b>1,250,000</b>			

	Weighted average exercise price 2009 cents	No. of options 2009	Weighted average exercise price 2008 cents	No. of options 2008
Outstanding at the beginning of the year	0.25	2,150,000	0.3365	6,500,000
Forfeited during the year		(900,000)	0.3365	(6,500,000)
Exercised during the year	-	-	-	-
Granted during the year	-	-	0.25	2,150,000
<b>Outstanding at the end of the year</b>	<b>0.25</b>	<b>1,250,000</b>	<b>0.25</b>	<b>2,150,000</b>
<b>Exercisable at the end of the year</b>	<b>0.25</b>	<b>1,250,000</b>		<b>2,150,000</b>

The options outstanding at 30 June 2009 have an exercise price of \$0.25 and a weighted average contractual life of 2 years.

During the financial year, no options were exercised.

The fair value of services received in return for options granted is measured by reference to the fair value of options granted. The estimate of the fair value of the services received is measured based on the Black Scholes option-pricing model. The contractual life of the options is used as an input into the model. Expectations of early exercise are incorporated into the model as well.

Tranche	Expiry date	Fair value per option (cents)	Exercise price (cents)	Price of share on grant date (cents)	Estimated volatility	Risk free interest	Dividend yield
2	30-Jun-11	0.14	0.25	0.17	140.3%	6.37%	0.00%
4	30-Jun-11	0.06	0.25	0.10	107.3%	6.40%	0.00%
5	30-Jun-11	0.06	0.25	0.10	107.3%	6.40%	0.00%

Tranche (1) and (3) related to employees who resigned during the year. The options in regard to the tranches have been cancelled.

The expected volatility is based on the historic volatility of peer group entities (calculated on the weighted average remaining life of the share options), adjusted for any expected changes to volatility due to publicly available information.

Options will only convert to ordinary shares upon the achievement of a service condition and performance conditions

## 18: KEY MANAGEMENT PERSONNEL DISCLOSURES

The Directors of Mint Wireless Limited during the year were:

- **Alex Teoh**, CEO
- **Andrew Teoh**, Executive Director
- **Terry Cuthbertson**, Chairman
- **John Skippen**, Non Executive Director (resigned 22 September 2008)

Other Key Management Personnel

- **Ross Gillies Tuck**, Senior Product Manager
- **Nigel Turner**, Marketing Director (Resigned 28th August 2008)
- **Richard Clarke**, Sales Director – Trading (Resigned 5th September 2008)
- **Bobby Sanghera**, Sales Director – Portable Payment (Resigned 12th September 2008)

Other than the Directors & those named above, no other persons had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly during the current financial period

### a) Shares and option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each Director of Mint Wireless Limited and other Key Management Personnel of the Group, including their personally related parties, are set out in the following table.

### b) Number of shares held by Key Management Personnel:

Directors	Balance 1-Jul-08	Received as remuneration	Purchased in their capacity as investors	Options Exercised	Balance when ceased to be a Director	Net change Other	Balance 30-Jun-09
Alex Teoh <sup>i</sup>	101,000,000	-	1,980,000	-	-	-	102,980,000
Andrew Teoh <sup>i</sup>	100,000,000	-	950,000	-	-	-	100,950,000

i) The 100,950,000 securities are held by TAAJ Corporation Pty Ltd. The sole shareholder of TAAJ Corporation Pty Ltd is JAAT Holdings Pty Ltd, the trustee of the TAAJ Trust, of which Alex Teoh and Andrew Teoh are beneficiaries. From the Initial Public Offering, Alex Teoh acquired 200,000 fully paid ordinary shares & Yin-Yin Teoh, the wife of Alex Teoh has acquired 1,830,000 fully paid ordinary shares.

### c) Number of options held by Key Management Personnel (consolidated):

Directors	Balance 1-Jul-08	Granted as remuneration	Options exercised	Balance when ceased to be a Director	Balance 30-Jun-09	Total vested 30-Jun-09	Total Exercisable 30-Jun-09	Total Un- exercisable 30-Jun-09
Terry Cuthbertson	500,000	-	-	-	500,000	500,000	500,000	-
John Skippen	500,000	-	-	250,000	250,000	250,000	250,000	-
Ross Gillies Tuck	500,000	-	-	-	500,000	500,000	500,000	-
<b>Total</b>	<b>1,500,000</b>			<b>250,000</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>-</b>

### d) Loans to Key Management Personnel

There were no loans made to Directors of Mint Wireless Limited or other Key Management Personnel of the Group (or their personally related entities) during the current period.

# Notes to the Financial Statements CONTINUED

FOR YEAR ENDED 30TH JUNE 2009

## 18: KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

### e) Other transactions with Key Management Personnel

	Consolidated Entity	Parent Entity	Consolidated Entity	Parent Entity
	2009	2009	2008	2008
Payments to Director related party	\$	\$	\$	\$
Capital Investment Partners Pty Limited	-	-	579,656	579,656
Avalon Valley Pty Ltd	-	-	17,445	17,445
TAAJ Corporation Pty Ltd1	209,000	-	1,105,621	1,105,621

1) During the financial year 2008, \$220,000 was paid to TAAJ Corporation. TAAJ provides administrative and operational services to the company as required. A loan with interest of \$885,621 was repaid to TAAJ Corporation pursuant to terms of the loan agreement. For the financial year 2009, TAAJ Corporation was paid \$209,000 for administrative and operational services to the Company.

#### TAAJ Corporation Pty Ltd.

Under the deed agreement between TAAJ Corporation & Mint Wireless Limited (Mint), some of the shares acquired under the initial public offering were subject to performance milestones. The following summarize the requirements and were met:

- Subject to b) below, Mint has achieved an annualised revenue (Annualised Revenue) for the financial year ending 30 June 2009 (FY09) of \$1,380,000 per month or \$16,560,000 (annualised) (FY09 Revenue)
- If the FY09 Revenue is within 0-5% of the performance milestone outlined in (a) above, at the discretion of the Board, a minimum of 15,000,000 of the Mint shares will be cancelled in accordance with clause 2(a)
- For the purposes of (a) above, the Annualised Revenue shall be calculated as Mint's average revenue per month of the fourth quarter of FY09 multiplied by twelve (12).

## NOTE 19: AUDITORS REMUNERATION

During the year, the following fees were paid or payable for services provided by the auditor of the Parent Entity, its related practices and non-related audit firms:

	Consolidated Entity	Parent Entity	Consolidated Entity	Parent Entity
	2009	2009	2008	2008
Amounts received or due and receivable by Pitcher Partners for:	\$	\$	\$	\$
Audit of the financial report of the entity and any other entity in the consolidated entity	60,576	60,576	36,200	36,200
Other financial services - Income tax advice etc	4,075	4,075	30,883	30,883
	64,651	64,651	67,083	67,083

## 20 : CASH FLOW INFORMATION

	Consolidated Entity	Parent Entity	Consolidated Entity	Parent Entity
Notes	2009	2009	2008	2008
	\$	\$	\$	\$
(a) Reconciliation of the net loss after tax to the net cash flows from operations:				
<b>Net loss</b>	<b>(2,117,272)</b>	<b>(2,117,272)</b>	<b>(4,310,103)</b>	<b>(4,310,103)</b>
<b>Non Cash Items</b>				
Depreciation	132,258	54,095	126,877	105,500
Amortisation of IT Development	591,399	-	537,545	35,720
Provision for impairment of investment	-	1,677,426	-	3,524,174
	<b>723,657</b>	<b>1,731,521</b>	<b>664,422</b>	<b>3,665,394</b>
<b>Changes in assets and liabilities</b>				
(Increase)/decrease in trade receivables	(1,380,432)	(1,481)	25,265	-
(Increase)/decrease in inventory	229,989	-	(97,635)	-
(Increase)/decrease in other assets	146,306	-	(148,838)	-
(Increase)/decrease in long term assets	487	-	(36,958)	-
(Decrease)/increase in trade & other payables	815,853	142,265	(427,343)	436,812
(Decrease)/increase in employee entitlements	13,843	16,109	35,484	24,466
(Decrease)/increase in provisions	-	-	49,203	-
(Decrease)/increase share based payments	-	-	27,644	35,989
	<b>(173,954)</b>	<b>156,893</b>	<b>(573,178)</b>	<b>497,267</b>
<b>Net cash flow from ( used in) operating activities</b>	<b>(1,567,569)</b>	<b>(228,858)</b>	<b>(4,218,859)</b>	<b>(147,442)</b>

# Notes to the Financial Statements CONTINUED

FOR YEAR ENDED 30TH JUNE 2009

## 21 : EARNINGS PER SHARE

	2009	2008
	\$	\$
The following reflects the income and share data used in the calculation of basic and diluted earnings per share:		
Net loss	(2,117,272)	(4,310,103)
Earnings used in calculating basic and diluted earnings per share	<b>(2,117,272)</b>	<b>(4,310,103)</b>

	2009	2008
	No. of shares	No. of shares
Weighted average number of ordinary shares used in calculating basic earnings per share	175,937,500	172,134,221
<b>Effect of dilutive securities:</b>		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	175,937,500	172,134,221
<b>EPS (cents)</b>	<b>(0.012)</b>	<b>(0.025)</b>

The options on issue (Note 17) represent potential ordinary shares but are not dilutive as they would decrease the loss per share. Accordingly they have been excluded from the weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share.

## 22: SUBSEQUENT EVENTS

The Company on 1st of July 2009 secured additional financing facilities of up to \$3,000,000 at lower costs to accommodate for the continued growth of the business. This facility is in addition to existing facilities of \$2,250,000.

Other than the matters discussed above, in the opinion of the Directors, there has not arisen in the interval between the end of the financial year and the date of the report any matter or circumstance that has significantly affected, or may significantly affect the Company's or the Consolidated Entity's operations, results of those operations or the state of affairs in future financial years.

## 23 : COMMITMENTS AND CONTINGENCIES

	Consolidated Entity	Parent Entity	Consolidated Entity	Parent Entity
Notes	2009	2009	2008	2008
	\$	\$	\$	\$
Lease expenditure commitments				
(a) Operating leases (non cancellable):				
Premises Rented (i)				
Minimum lease payments				
- Not later than one year	175,870	-	183,576	-
- Later than one year and not later than five years	432,960	-	384,782	-
- Later than five years	-	-	-	-
- Aggregate lease expenditure contracted for at reporting date	<b>608,830</b>	<b>-</b>	<b>568,358</b>	<b>-</b>

- 
- (i) Relates to the rental of the Group's Sydney office which has been secured for 6 years from 1 January 2006 until 31 December 2011, and the Melbourne operations from 1 April 2008 to 31 March 2010.

## 24: RELATED PARTY TRANSACTIONS

There have been no transactions with related parties during the year ended 30 June 2009 other than as disclosed elsewhere in the financial report.

Mint Wireless Limited is a listed public Company, incorporated and operating in Australia.

### **Registered Office**

91-95 Victoria Road  
ROZELLE  
NSW 2039  
Australia

### **Principal place of business**

91-95 Victoria Road  
ROZELLE  
NSW 2039  
Australia

# Directors' Declaration

FOR YEAR ENDED 30TH JUNE 2009

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In the Directors' opinion:

- (a) the financial statements, notes and the additional disclosures included in the Directors' Report designated as audited, of the Company and of the Consolidated Entity are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
  - (ii) compliance with Accounting Standards and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by s.295A of the Corporations Act 2001 for the financial year ended 30 June 2009.

This declaration is made in accordance with a resolution of the Directors.



**ALEX TEOH**  
**Managing Director**  
Sydney, New South Wales  
30th September 2009

# NOTES TO FINANCIAL STATEMENTS

MINT WIRELESS LIMITED

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### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

### *Auditor's Opinion*

In our opinion,

- (a) the financial report of Mint Wireless Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

### **Report on the Remuneration Report**

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

### *Auditor's Opinion*

In our opinion the Remuneration Report of Mint Wireless Limited and controlled entities for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

### **Inherent Uncertainty Regarding Continuation as a Going Concern and carrying value of assets**

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 1 Going Concern, there is inherent uncertainty whether the company and the consolidated entity will be able to continue as a going concern and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report and pay their debts as and when they become due and payable.

M A GODLEWSKI  
Partner

30 September 2009

PITCHER PARTNERS  
SYDNEY

## Shareholders Information

### Number of Security Holders and Securities on Issue.

Mint has issued 175,937,500 fully paid ordinary shares, of which 67,149,250 are quoted on the ASX and are held by 537 shareholders.

### Voting Rights

The voting rights attached to ordinary shares are that on the show of hands, every member present, in person or proxy has one vote and upon a poll, each share shall have one vote.

### Distribution of Security Holders

Quoted ordinary fully paid ordinary shares.

Holding	Number of Shareholders	Number of Shares	%
1-1,000	0	0	.00%
1,000-5,000	14	49,959	.07%
5,001-10,000	48	460,079	.69%
10,001-100,000	344	17,978,056	26.77%
100,001 and over	131	48,661,156	72.47%
Total	537	67,149,250	100.00%

Unquoted (escrowed) fully paid ordinary shares

Holding	Number of Shareholders	Number of Shares	%
1-1,000	1	750	.00%
1,000-5,000	0	0	.00%
5,001-10,000	0	0	.00%
10,001-100,000	0	0	.00%
100,001 and over	12	108,787,500	100.00%
Total	13	108,788,250	100.00%

### Unmarketable Parcels of Shares

The number of shareholders holding less than a marketable parcel of ordinary shares of 12,500 (\$0.040 on 29 June 2009) is 66 and they hold 558,038 securities.

### Substantial Shareholders

The number of securities held by the substantial shareholders and their associates are set out below:

Ordinary Fully Paid Shares

Name	Number of Share	%
TAAJ Corporation Pty Ltd.	100,950,000	57.37%
Total	175,937,500	

### Unquoted Equity Securities

Fully Paid Ordinary Shares

114,063,250 unquoted fully paid ordinary shares were issued to 43 shareholders

One shareholder holds 20% or more unquoted fully paid shares in Mint as set out below:

Name	Number of Share	%
TAAJ Corporation Pty Ltd.	100,000,000	87.7%
Total	108,788,250	

## Options

21,218,750 unquoted options were issued to 86 shareholders. During the year 30 June 2009 19,968,750 options lapsed leaving 1,250,000 unquoted options. [See options table below]. Option holders do not have any voting rights on the options held by them.

### Mint Wireless Limited Employee Option Plan

There are 1,250,000 (with a \$0.25 cents exercise price) unquoted options issued to 3 option holders under the Mint Wireless Limited Employee Option Plan. These options are exercisable on or before 30 June 2011.

Name	Number of Share	%
Ross Gillies Tuck	500,000	40%
Terry Cuthbertson	500,000	40%
John Skippen	250,000	20%
Total	1,250,000	100%

Option holders do not have any voting rights with respect to the options held by them.

### Details Regarding Escrow

The number of securities subject to escrow and the escrow period applied to those securities are as follows:

#### Escrowed Fully Paid Ordinary Shares

Escrow Release Date	Number of Shares
Escrow expiry date- 2 August 2009	108,788,250

### On-Market- Buy-Back

There is no current on-market buy-back.

### Statement Regarding Use of Cash and Assets

Mint has used its cash and assets readily convertible to cash that it had at the time of ASX admission in a way consistent with its business objective.

### Twenty Largest Shareholders

Quoted and unquoted (escrowed) fully paid ordinary shares. Details of the 20 largest shareholders by registered shareholding are:

Escrow Release Date	Number of Share	%
TAAJ Corporation Pty Ltd	100,950,000	57.38%
Arlington Capital Pty Ltd	3,550,000	2.02%
Treffina Joyce Dowland	2,375,000	1.35%
Mr Jaswant Bobby Sanghera	2,200,000	1.25%
Frass Pty Ltd	2,159,770	1.23%
TGF Holding Pty Ltd	2,000,000	1.14%
Yin-Yin Teoh	1,830,000	1.04%
Stephen Alfred Aboud	1,500,000	0.85%
SurfBoard Pty Ltd	1,312,500	0.75%
Mr Gordon Roger Barratt and Mrs Marylee Barratt	1,218,500	0.69%
James Leonard Millett	1,110,839	0.63%
Kunihisa Ishii	1,000,000	0.57%
Arlington Capital Pty Ltd (Daval Superannuation fund)	950,000	0.54%
Rodney James Elder and Jeanette Margaret Elder	850,000	0.48%
Darrell Gene Stark and Teresa Louise Stark	800,000	0.45%
Denis Ronald Criddle and Nola Isabel Criddle	757,500	0.43%
Salim Cassim	750,000	0.43%
Richard Desmond Reid	750,000	0.43%
Varedi Pty Ltd	700,000	0.40%
Griffin Investment Pty Ltd.	670,000	0.38%
<b>Total</b>	<b>127,434,109</b>	<b>72.43%</b>

# Corporate Governance Statement

The Board of Directors of Mint Wireless Limited is responsible for the corporate governance practices of the consolidated entity. The Board guides and monitors the business and affairs of Mint Wireless Limited on behalf of the shareholders by whom they are elected and to whom are accountable.

This statement outlines the main corporate governance practices adopted by the Company, which comply with ASX Corporate Governance Council Principles and Recommendations (2nd Edition, August 2007) unless otherwise stated.

## Principle 1: Lay Solid Foundations for Management and Oversight

The Board's Primary role is the protection and enhancement of long term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group including formulating its strategic direction, approving and monitoring capital expenditure, setting senior executive and Director's remuneration, establishing and monitoring the achievement of management's goals and ensuring the integrity of risk management, internal control, legal compliance and management information systems. It is also responsible for approving and monitoring financial reporting. The Board has delegated responsibility for the day to day operation and administration of the Company to the Managing Director.

## Principle 2: Structure the Board to add value

The skills, experience and expertise relevant to the position of Director held by each Directors in office at the date of the annual report is included in the Director's Report. Directors of Mint Wireless Limited are considered to be independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement .

The membership of the Board during the year ended 30 June 2009, including independent status, and date of appointment was as follows:

Name	Status	Date of Appointment
Terry Cuthbertson	Non- Executive Independent Chairman	27 November 2007.
John Skippen	Non- executive Independent Director	27 November 2007. Resigned - 22 September 2008.
Alex Teoh	Executive Director	4 October 2006.
Andrew Teoh	Executive Director	4 October 2006.

Recommendation 2.1 requires that a majority of the Board should be independent Directors. The Company does not comply with this recommendation. During the year the other independent Director, John Skippen resigned. In the interim the Board consists of one independent Director. The Board considers the make-up of the Board as appropriate given the Company's size and operations. The effectiveness of the Board is achieved through knowledge and experience specific to the business and the industry in which it operates. The Board is always reviewing its structure and operations.

Recommendations 2.2 requires the Chairman be an independent Director. The Company complies with this recommendation.

Recommendation 2.3 requires that the role of the Chairman and Chief Executive Officer of the Company is not exercised by the same individual. The Company complies with this recommendation as the Chairman and Managing Director are two separate individuals.

## Independent Directors

An Independent Director is considered independent:

- a) Who is not a member of management
- b) Who has not within the last three years been employed in an executive capacity by the Company or been a principal of a professional adviser or consultant to the Company
- c) Is not a significant supplier to the Company
- d) Has no material contractual relationship with the Company other than as a Director, and
- e) Is free from any interest or business or other relationship, which could materially interfere with the Director's ability to act in the best interest of the Company.

Based on the above criteria, two Directors including the Chairman were considered independent during the financial year, until the resignation of John Skippen. As previously mentioned the Board is reviewing its structure.

### Independent Professional Advice and Access to Company Information

Each Director has the right of access to all relevant Company information and to the Company's executives and subject to prior consultation with the Chairman, may seek independent professional advice at the Company's expense. A copy of advice received by the Directors is made available to all other members of the Board.

### Board Processes

The Board has mandates and operating procedures which are reviewed on a regular basis. The Board has also established a range of policies which govern its operation.

The Board holds a schedule meeting every month and any other strategic meetings as and when necessary by the Company's operations. The agenda for meetings is prepared through the input of the Chairman's and the Company secretary. Standing items include matters of Compliance and Reporting, Financials, shareholder communication and investment strategy and outcomes. Submissions are circulated in advance.

Directors have a usual term of two years before retiring by rotation and standing for re-location.

A performance evaluation for the Board and senior executives has taken place in the reporting period.

### The Board Committees

#### Nomination Committee

Recommendation 2.4 states that the Board should establish a Nomination Committee. Due to the size of the Company it has not establish a formal Nomination Committee and its functions of the Nomination Committee are undertaken by a full Board. The composition of the Board is monitored (both in respect of size and membership) to ensure that the Board has a balance of skill and experience appropriate to the needs of the Company. When a vacancy arises, the Board will identify candidates with appropriate expertise and experience and appoint the most suitable person.

#### Remuneration Committee

Recommendation 8.1 states that the Board should establish a Remuneration Committee. Due to the size of the Company is has not established a formal Remuneration Committee and the functions of the Remuneration Committee are undertaken by a full Board. Non- executive Directors are remunerated by way of Director Fee and superannuation contributions.

The Chairman of Mint Wireless Limited is also Directors of several listed and non listed companies and is further remunerated by those companies. Further detail is provided in the Directors report.

#### Audit Committee

Due to the size of the Company it has not established a formal audit committee and the functions of the Audit committee are undertaken by a full Board. The Board is responsible for considering the effectiveness of the systems and standards of internal control, financial reporting and any other matter at the request of the Board.

The external auditors attended meetings by invitation to report to the Board.

The Audit responsibilities of the Board are to ensure that:

- Relevant, reliable and timely information is available to the Board to monitor the performance of the Company
- External reporting is consistent with committee members' information and knowledge and is adequate for shareholders needs
- Management process supports the external reporting in a format which facilitates ease of understanding by shareholders and institutions
- The external audit arrangements are adequate to ensure maintenance of an effective and efficient external auditing involving,
  - o Review of the terms of engagement, scope and auditor's independent;
  - o Recommendation as to the appointment, removal and remuneration of an auditor ensuring
  - o Review of the provision of non-audit services provided by the external audit ensures they do not adversely impact on audit independence.
- A review of the Company's risk profile and an assessment of the operation of the Company's internal control system are performed.

The external auditor is required to attend the Annual General Meeting and is available to answer shareholder questions. The Board as a whole monitors the performance of the annual & half yearly audit performed by the External Auditor. For details on the number of meetings of the audit committee held during the year and the attendees at those meetings, refer to the Director's Report.

# Corporate Governance Statement

## Principle 3: Promote ethical and responsible decision making

The Board expects all executive and non-executive Directors to act professionally in their conduct and with the utmost integrity and objectivity. All executive and non-executive Directors must comply with the Company's code of Conduct and Ethics (Recommendation 3.1)

The Company encourages Directors to have a significant personal financial interest in Mint Wireless Limited by acquiring and holding shares on a long term basis. Insider trading laws prohibit Directors and their associates from dealing in the Company's shares whilst in possession of price sensitive information that is not generally available. Once the Directors have traded in share or otherwise dealt with any securities, they should immediately disclose this to the Board and Company Secretary to facilitate appropriate disclosure with ASX. A Director or entity controlled by Directors is not permitted to purchase or sell shares in the Company at other times without prior consent of the Board. This policy does not preclude a Director or an entity controlled by Director taking up or renouncing an entitlement to the Company's shares or participating in the Company's share purchase Plan or Dividend Reinvestment Plan. (Recommendation 3.2)

## Principle 4: Safeguard integrity in financial reporting

The Company's Board is committed to ensuring the adoption of processes which are aimed at providing assurance that the financial statements and related notes are in accordance with applicable accounting standards and provide a true and fair view. Compliance with these procedures and policies is subject to review by the external auditor. The Board also evaluates the performance and independence of the external auditor on annual basis.

The Managing Director and the Chief Financial Officer provide the Board with written confirmation that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and that the operational results are in accordance with the relevant accounting standards.

## Principle 5: Make timely and balanced disclosure

The Company's Board is committed to keeping the investment community including shareholders and regulators fully informed, in a timely and accessible manner, of events and risks that impact the Company. The Board complies with its continuous disclosure obligations, as defined under the Corporations Act and ASX Listing rules, in respect of price sensitive information which is lodged with ASX as soon as practicable and before disclosure to external parties.

## Principle 6: Respect the rights of the Shareholders

Shareholders are entitled to vote on significant matters affecting the business which include the election and remuneration of Directors, changes to the constitution and receipt of annual and interim financial statements, Shareholders are strongly encouraged to attend and participate in the Annual General Meeting of Mint Wireless Limited to lodge questions to be responded by the Board and / or the Managing Director, and are able to appoint proxies.

The Board informs shareholders of all major developments affecting the Company's state on the Company's website at [www.mnw.com.au](http://www.mnw.com.au)

A hard copy Annual Report will be mailed to shareholders who have requested to receive one at the close of the financial year. An electronic version of the annual report will be available on the Company's website.

The Company Secretary is responsible for ensuring Mint Wireless Limited complies with its continuous disclosure obligation and in conjunction with the Chairman, will decide whether any price sensitive information they become aware of should be disclosed to ASX. Where possible, all continuous disclosure releases to the ASX are approved by the Board. Where time does not permit approval by the Board, the Chairman must approve the release. Any information of a material nature affecting the Company is disclosed to the market through release to the ASX as soon as the Company becomes aware of such information, in accordance with the ASX Continuous Disclosure requirement.

## Principle 7: Recognise and manage risk

The Board acknowledges that is responsible for the overall system of internal control but recognises that no cost effective internal control system will preclude all errors and irregularities. The Board has responsibility for reviewing the risk profile and reporting on the operation of the internal control system. The board (a) requires executive management to report annually on the operation of the internal controls, (b) reviews the external audit of internal controls and liaises with the external auditor and (c) conducts any other investigations and obtains any other information it requires in order to assess the effectiveness of the internal control system. In respect of the current financial year all necessary declarations have been submitted to the Board.

The Board indemnifies the following business risks as having the potential to significantly or materially affect the Company's performance (a) administrative risk including operational, compliance and financial reporting (b) market related risks.

#### Administrative Risks

The Managing Director is responsible for recognising and managing administrative risks including (a) operational, (b) compliance and (c) financial reporting. The Managing Director and the Chief Financial Officer provide a declaration to the Board twice annually to certify that the Company's financial statements and notes present a true and fair view of all material respects of the Company Financial condition and operational results and they have been prepared and maintained in accordance with relevant Accounting Standards and the Corporations Act 2001. In respect of the current financial year all necessary declarations have been submitted to the Board. In addition, the Managing Director and the Chief Financial Officer will confirm half yearly in writing to the Board that the declaration provided above is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

#### Market Risks

The Board is primarily responsible for recognising and managing market related risks. In respect of the current financial year, all necessary declarations have been submitted to the Board. The Board perform a risk review on an annual basis to ensure that adequate controls are in place to mitigate risk associated with market risk, fraud, Transaction reporting errors, material reporting risk and compliance risk.

#### Principle 8: Remunerate fairly and responsibly

The Company's remuneration policy and practices are designed to attract, motivate and retain high quality staff. The Remuneration Report in the Directors' Report provides details of remuneration of Non- Executive and Executive Directors.

The Company's Employee Share Option Scheme was approved by shareholders at the Company's listing on the ASX. See note 17 for the option issued and current as at the date of this report.

