

**4E Preliminary Year End Report for Mint Wireless Limited****ABN : 51 122 043 029**

For the year ended 30 June 2010

		%	2010 A\$
<b>1. Results for announcements to the market</b>			
Revenue from ordinary activities	Up	9%	13,142,406
(Loss) from ordinary activities after tax attributable to up members (Income Statement)	Down	8%	(1,954,220)
(Net Loss) for the period attributable to up members (Income Statement)	Down	8%	(1,954,220)

<b>Dividends (distributions)</b>	<b>Amount per/security</b>	<b>Franked amount per/security</b>
Final dividend:	-	-
Interim dividend:	-	-
Previous corresponding period		
Final dividend:	-	-
Interim dividend:	-	-

		<b>Current period</b>	<b>Previous corresponding period</b>
<b>2. NTA Backing per Share</b>	cents	.08c	.88c

**3. Gain or Loss of Control Over Entities**

The following companies were incorporated during the year but have not traded in the period to year 30 June 2010.

- **Mint Wireless International UK Limited - incorporated in United Kingdom**
- **Mint Wireless International Limited – incorporated in Hong Kong**

**4. Details of Dividend and Distribution Payments**

No dividends or distributions have been paid or provided for the year.

**5. Dividend Reinvestment Plans**

There are no dividend or distribution reinvestment plans in operation.

**6. Associates and Joint Venture Entities**

Not applicable.

**7. Foreign Entities**

Not applicable.

**8. Audit Dispute or Qualification**

This financial report is in the process of being audited.

For personal use only

# Mint Wireless Limited

ABN: 51 122 043 029

## Preliminary Year End Report For the year ended 30 June 2010

<u>Contents</u>	<u>Page</u>
Commentary	4
Consolidated Statement of Comprehensive Income	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Cash Flows	7
Consolidated Statement in Changes of Equity	8
Other Information	9

The Directors of Mint Wireless Limited (Mint or the Company) present their report on the consolidated entity consisting of Mint Wireless Limited and entities it controlled for the financial year ended 30 June 2010.

## **PRINCIPAL ACTIVITIES**

The principal activities of the consolidated entity during the year under review were the provision of mobile payment solutions and development, management and distribution of innovative consumer technology products and services.

## **REVIEW AND RESULTS OF OPERATION**

### **Operating Results**

Mint Wireless Limited group has improved substantially its financial performance in the financial year ended 30 June 2010 when compared with the previous corresponding year. This was a notable achievement given the economic conditions during the year under review.

Key financial results for the year ended 30 June 2010 were:

- Operating revenue for the financial year has increased by 9% to \$13,142,406.
- Net operating loss after tax for the financial year ended 30 June 2010 was \$1,954,220 down by 8 % from the previous corresponding year. If the tax credit received in 2009 was excluded the loss after tax would be down 20%. The Mint Technology division produced monthly operating profits resulting in EBITDA positive second half year to 30 June 2010.

### **Review of Operations**

In the first half the group's revenues was \$4.254 million resulting in a net loss of \$1.444 million as a result of the problems faced by the company due to delays in product launches. In the second half year the company's revenue was \$8.888 million resulting in EBITDA positive second half year or a net loss of \$510K. At end of 30 June 2010 Company has a strong order book with orders of over \$3 million on hand.

The Group incurred a net loss of \$1,954,220 which was a 8% reduction or 20% reduction if tax credits from the previous year were excluded from the previous corresponding year. This result was achieved due to an increase in sales activities, new customers and cost reduction measures put in place by the group. Monthly operating expenses have reduced and further savings will be realised in the coming financial year. We expect to see a continued improvement in the Company's financial performance through an increase in revenues and margins as a result of an increase in sales activities from our existing and new customers and retail channel partners.

**Consolidated Statement of Comprehensive Income**

For year ended 30 June 2010

	<b>Consolidated Entity 2010 \$</b>	<b>Consolidated Entity 2009 \$</b>
<b>Revenue</b>		
Sales revenue	13,142,406	12,039,883
Cost of goods sold	<u>11,311,876</u>	<u>9,868,723</u>
<b>Gross Profit</b>	<b><u>1,830,530</u></b>	<b><u>2,171,160</u></b>
Other income	<u>40,773</u>	<u>182,676</u>
Employee benefits expense	1,157,465	1,691,791
Depreciation expense	129,283	132,258
Amortisation of IT Development	616,182	591,399
Finance costs	299,698	144,733
Administration, property & communication expenses	324,770	401,384
Property expense	247,449	265,501
Distribution expense	177,214	214,064
Listing expense	106,244	68,047
Travel expense	155,193	145,281
Professional fees	330,306	334,721
Directors fees	56,864	54,166
Selling expenses	203,269	300,082
Other expenses	<u>21,586</u>	<u>446,442</u>
<b>Total Expenses</b>	<b><u>3,825,523</u></b>	<b><u>4,789,869</u></b>
<b>Profit/(Loss) before income tax</b>	<b><u>(1,954,220)</u></b>	<b><u>(2,436,034)</u></b>
Income tax (expense)/ credit	<u>-</u>	<u>318,762</u>
<b>Net loss attributable to members of the Company</b>	<b><u>(1,954,220)</u></b>	<b><u>(2,117,272)</u></b>
Basic earnings per share (cents)	(0.11)	(0.12)
Diluted earnings per share (cents)	(0.11)	(0.12)

**Consolidated Statement of Financial Position**

For year ended 30 June 2010

	Consolidated Entity 2010 \$	Consolidated Entity 2009 \$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	1,063,508	680,160
Trade and other receivables	3,174,362	1,829,728
Prepayment- Inventory	237,133	-
Inventories	2,086,229	222,362
	<u>6,561,232</u>	<u>2,732,250</u>
<b>NON-CURRENT ASSETS</b>		
Other financial assets	33,300	36,462
Property, plant and equipment	252,425	311,791
IT Development	1,008,023	1,553,787
	<u>1,293,748</u>	<u>1,902,040</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>1,293,748</u>	<u>1,902,040</u>
<b>TOTAL ASSETS</b>	<u><u>7,854,980</u></u>	<u><u>4,634,290</u></u>
<b>CURRENT LIABILITIES</b>		
Payables	2,925,416	1,373,001
Provisions	229,812	156,212
Short term borrowings	3,545,712	-
	<u>6,700,940</u>	<u>1,529,213</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>6,700,940</u>	<u>1,529,213</u>
<b>TOTAL LIABILITIES</b>	<u><u>6,700,940</u></u>	<u><u>1,529,213</u></u>
<b>NET ASSETS</b>	<u><u>1,154,040</u></u>	<u><u>3,105,077</u></u>
<b>EQUITY</b>		
Contributed equity	11,559,560	11,559,560
Reserves	39,172	35,989
Accumulated Losses	(10,444,692)	(8,490,472)
	<u>1,154,040</u>	<u>3,105,077</u>
<b>TOTAL EQUITY</b>	<u><u>1,154,040</u></u>	<u><u>3,105,077</u></u>

	Consolidated Entity 2010 \$	Consolidated Entity 2009 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from customers	11,810,459	10,975,085
Payments to suppliers and employees	(14,874,696)	(12,689,624)
Interest received	1,180	45,119
Interest paid	(266,470)	(135,263)
Others	104,882	117,781
Income Tax Refund	199,429	119,333
<b>Net cash provided by (used in) operating activities</b>	<b>(3,025,216)</b>	<b>(1,567,569)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	(12,013)	(129,026)
Payment for capital IT Development	(125,135)	(206,432)
<b>Net cash provided by (used in) investing activities</b>	<b>(137,148)</b>	<b>(335,458)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from share issue	-	-
Cost of IPO share issue	-	-
Proceeds from borrowings	11,211,949	1,141,738
Repayment of borrowings	(7,666,237)	(1,143,179)
<b>Net cash provided by (used in) financing activities</b>	<b>3,545,712</b>	<b>(1,441)</b>
<b>Net increase decrease in cash and cash equivalents</b>	<b>383,348</b>	<b>(1,904,468)</b>
Cash and cash equivalents at beginning of year	680,160	2,584,628
<b>Cash and cash equivalents at end of the year</b>	<b>1,063,508</b>	<b>680,160</b>

For personal use only

**Consolidated Statement of Changes to Equity**

For year ended 30 June 2010

	Consolidated Entity 2010 \$	Consolidated Entity 2009 \$
<b>Total Equity at the beginning of the year</b>	<b>3,105,077</b>	<b>5,222,349</b>
Cost of IPO share issue	-	-
Employee share options	3,183	-
Net income recognised directly in equity	-	-
<b>Profit/loss for the year</b>	<u>(1,954,220)</u>	<u>(2,117,272)</u>
<b>Total recognised income and expense for the period</b>	<b>(1,954,220)</b>	<b>(2,117,272)</b>
<b>Transactions with equity holders in their capacity as equity holders:</b>		
IPO	-	-
<b>Total equity at the end of the Year</b>	<u><u>1,154,040</u></u>	<u><u>3,105,077</u></u>

## Corporate information

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 the Consolidated Entity comprised by Mint and its subsidiaries ("Group or Consolidated Entity")

## 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 2010.

The Directors have not assessed the impact of these new or amended Standards and Interpretations (to the extent relevant to the Group).

#### 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 \$1,954,220 for the year ended 30 June 2010 and had a net cash outflow from operations of \$3,025,216 for the year. As at 30 June 2010 the Group had cash assets of \$1,063,508 and net current liabilities of \$6,700,940. 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 2011. These forecasts are based on secured and projected orders from major retail customers. The Group is also continuing to reduce its cost base.

### 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.

**Other Information**

For year ended 30 June 2010

**SEGMENT INFORMATION****(a) Primary Segment Information**

Business segments	Mobile Payment System	Technology	Eliminations and Corporate	Consolidated	Mobile Payment System	Technology	Eliminations and Corporate	Consolidated
	2010	2010	2010	2010	2009	2009	2009	2009
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>								
Sales to customers outside the consolidated entity	166,787	12,975,619	-	13,142,406	223,653	11,816,230	-	12,039,883
Other revenue	39,939	834	-	40,773	145,098	9,450	28,128	182,676
<b>Total segment revenue</b>	<b>206,726</b>	<b>12,976,453</b>	<b>-</b>	<b>13,183,179</b>	<b>368,751</b>	<b>11,825,680</b>	<b>28,128</b>	<b>12,222,559</b>
<b>Expenses</b>	1,341,780	12,593,293	1,202,326	15,137,399	1,490,533	11,344,695	1,823,365	14,658,593
<b>Results</b>								
Segment result	(1,135,054))	383,160	(1,202,326)	(1,954,220)	(1,121,782)	480,985	(1,795,237)	(2,436,034)
Consolidated entity loss from ordinary activities before income tax expense	(1,135,054))	383,160	(1,202,326)	(1,954,220)	(1,121,782)	480,985	(1,795,237)	(2,436,034)
Income tax (expense)/ credit	-	-	-	-	318,762	-	-	318,762
<b>Consolidated entity loss from ordinary activities after income tax expense</b>	<b>(1,135,054))</b>	<b>383,160</b>	<b>(1,202,326)</b>	<b>(1,954,220)</b>	<b>(803,020)</b>	<b>480,985</b>	<b>(1,795,237)</b>	<b>(2,117,272)</b>

**Other Information**

For year ended 30 June 2010

**(a) Primary Segment Information (Continued)**

Business segments	Mobile Payment System	Technology	Eliminations and Corporate	Consolidated
	2010	2010	2010	2010
	\$	\$	\$	\$
<b>Assets</b>				
Segment assets	1,754,144	5,914,708	186,128	7,854,980
<b>Total assets</b>	1,754,144	5,914,708	186,127	7,854,980
<b>Liabilities</b>				
Segment liabilities	(356,861)	(6,210,893)	(133,186)	(6,700,940)
<b>Total liabilities</b>	(356,861)	(6,210,893)	(133,186)	(6,700,940)
<b>Other segment information:</b>				
Depreciation and amortisation of segment assets	654,966	90,499	-	745,465
Capital expenditure	137,148	-	-	137,148
Impairment Losses	-	-	-	-
Other non-cash expenses	-	-	-	-

Mobile Payment System	Technology	Eliminations and Corporate	Consolidated
2009	2009	2009	2009
\$	\$	\$	\$
2,180,113	2,332,067	122,110	4,634,290
2,180,113	2,332,067	122,110	4,634,290
(232,821)	(1,057,613)	(238,779)	(1,529,213)
(232,821)	(1,057,613)	(238,779)	(1,529,213)
634,295	35,267	54,095	723,657
292,334	-	-	292,334
-	-	-	-
-	-	-	-

**Other Information**

For year ended 30 June 2010

**REVENUE**

	<b>Consolidated Entity 2010 \$</b>	<b>Consolidated Entity 2009 \$</b>
<b>Revenues from continuing operations</b>		
<i>Sales Revenue</i>		
Revenue from sale of goods	13,011,670	11,967,369
Revenue from services	130,736	72,514
	<b><u>13,142,406</u></b>	<b><u>12,039,883</u></b>
<i>Other Income</i>		
Miscellaneous income	39,593	137,557
Interest	1,180	45,119
Foreign exchange gains	-	-
	<b><u>40,773</u></b>	<b><u>182,676</u></b>

**INCOME TAX**

	<b>Consolidated Entity 2010 \$</b>	<b>Consolidated Entity 2009 \$</b>
<b>(a) The components of tax (expense)/ credit:</b>		
Current tax	-	<b><u>318,762</u></b>
<b>Total Income tax (expense)/ credit</b>	<b>-</b>	<b><u>318,762</u></b>
Profit before tax from continuing operations	(1,954,220)	(2,436,034)
<b>Total profit before income tax</b>	<b>(1,954,220)</b>	<b>(2,436,034)</b>
At the statutory income tax rate of 30% (2009: 30%)	(586,266)	(730,810)
Less tax losses not recognised	586,266	730,810
R&D Rebate	-	<b><u>318,762</u></b>
<i>Income tax (expense) / credit</i>	<b><u>-</u></b>	<b><u>318,762</u></b>

**Other Information**

For year ended 30 June 2010

**EARNINGS PER SHARE**

	2010 \$	2009 \$
The following reflects the income and share data used in the calculation of basic and diluted earnings per share:		
Net loss	(1,954,220)	(2,117,272)
	<u>(1,954,220)</u>	<u>(2,117,272)</u>

	2010 No of shares	2009 No of shares
Weighted average number of ordinary shares used in calculating basic earnings per share	175,937,500	175,937,500
<b>Effect of dilutive securities:</b>		
Share options	<u>-</u>	<u>-</u>
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	<u>175,937,500</u>	<u>175,937,500</u>
EPS (cents)	(0.11)c	(0.12)c

The options on issue 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.

**Dividend**

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

**Contingent liabilities**

There has been no change in contingent liabilities since the last annual reporting date.

**Other Information**

For year ended 30 June 2010

---

**Other**

a) 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

b) The company has a formally constituted audit committee



.....  
Alex Teoh  
Chief Executive Officer

For personal use only